

HOME NEWS

BSC chief attacks ministerial 'bungling'

By Peter Hill
Industrial Editor

Sir Charles Villiers, chairman of the British Steel Corporation, last night launched a strong attack on "bungled government communications" and on Mr James Prior, Secretary of State for Employment, in a letter to the *Times* which led to reports yesterday that the Government was planning to unseat him on the grounds of incompetence.

Sir Charles believes that the Government's handling of the steel industry has been "bungled" and that it has no intention of resigning.

"I do not think that I have been so angry since the last time I saw Mr Tony Rowland [Mr Roland Rowland, head of the steel industry] and Sir Charles Villiers, who met Sir Charles recently over difficulties experienced by Lorrho's steelmaking subsidiary, Hadfield's."

There are monumental problems, they are very difficult to solve and there is a great deal of bungled communication going on in the Government at the moment," Sir Charles added. He emphasized that he had no intention of resigning.

"I am here until my contract finishes at midnight on September 10 this year. I have not asked and do not wish for it to be renewed," he said.

Clearly encouraged by the vote of confidence in his chairmanship, given by the Prime Minister in the Commons yesterday, Sir Charles said: "Reports of my demise have been exaggerated and premature."

He said he had warned the Government last September that the pay negotiations and the accompanying retrenchment of British Steel could lead to a general strike. The Government had taken note of his warning.

Sir Charles said he had told Whitehall six months ago that ministers should begin a search for a successor and he had approached possible candidates, none of whom felt able to take on the job. He emphasized that money was obviously a factor.

Sir Charles referred to details of the draft claim due to be submitted to the BSC at the end of this week, which appeared in *The Times* yesterday. It was rather strange, he said, that the details should appear in a newspaper rather than coming from the unions direct to the corporation.

"What I am left with is the short time I have left to get the steel business on to a firm footing, and I am passionately dedicated to this," Sir Charles said.

Mr Murray rejects call to reaffirm picketing guidelines

By Our Labour Staff

The TUC last night brushed aside the call by Mr James Prior, Secretary of State for Employment, to reaffirm its guidelines on picketing to affiliated unions.

In a letter to Mr Len Murray, TUC general secretary, Mr Prior spoke of the "widespread public concern" over mass picketing and blocking, but in a reply Mr Murray said the amendments to the Employment Bill were "yet another highly dangerous set of proposals to curb workers' rights and trade union safeguards. This unfortunately makes the chances of fruitful cooperation between the TUC and the Government more remote."

Mr Murray said: "The Government is now attempting to clamp yet more stringent legal curbs on workers and unions. They would be spending their time better helping to resolve the steel dispute."

"It is entirely bogus for the Government to claim they are clarifying the law. The House of Lords has already done that in three very recent judgments. 'The law is clear' is a phrase which is used to justify the Government's attempt to restrict local trade union action to the point where it is ineffective."

An even stronger response came from Mr Kenneth Gill, general secretary of the technical and supervisory staffs of the National Union of Engineering Workers, who said: "Despite their much-publicized differences Mr Prior and his Cabinet colleagues are also in the process of restricting local trade union action to the point where it is ineffective."

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Employers give grudging welcome to proposals

By Patricia Tidell
Management Correspondent

Employers gave a grudging welcome to the Government's proposals to curb secondary industrial disruption last night. Opinions were split between those who advocate a gradual approach to trade union immunities and others who want radical changes at once.

There was some disappointment at the Association of British Chambers of Commerce that there was no provision for companies to sue unions rather than individuals and to seek recompense from union funds.

The ABCC is to consult its 84 member chambers before making a formal response to the proposals. Among the other aspects it will consider will be the inclusion of immunity to main customers and suppliers.

One view is that phrases such as "a substantial part of their business", when applied to second parties in a dispute, offer loopholes.

Some ABCC members also fear that the proposals give unions undue scope for artificially creating disputes which technically relate to contracts of employment, to give sympathetic support to fellow trade unionists in a different company.

Although individual members are becoming increasingly angry about secondary disruption in the steel strike, the Confederation of British Industry's collective policy continues to be moderate. The CBI yesterday described the question of trade union immunities as "a complex and difficult one" and said: "It is therefore right that the Government should limit its present proposals to deal with the immediate situation and then proceed by consultation and consensus."

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Water men to get fresh pay offer

By David Felton
Midlands Industrial Correspondent

On the eve of today's mass meeting of 17,000 BL Longbridge workers to vote on a strike recommendation, Mr Ray Horrocks, managing director of BL Cars, said last night: "Austin Morris cannot face an extended strike at Longbridge over this or any other issue. A decision to strike is likely to determine the fate of Austin Morris as a whole."

The meeting has been called to vote on an Amalgamated Union of Engineering Workers' recommendation for official strike action to secure the reinstatement of Mr Derek Robinson, the dismissed shop stewards' leader.

Yesterday Mr Horrocks, accompanied by Mr Harold Musgrove, Austin Morris's managing director, toured the plant.

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BL Cars executive says strike vote today could determine fate of Austin Morris

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plant speaking to workers. Afterwards he said he was dismayed that an issue between the company and the AUEW had been extended to include all the other unions at Longbridge.

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of outsiders who were reported to be planning to infiltrate the meeting and reports that a rebel group of engineering union members wanted to boycott the meeting and march into work as usual.

Efforts were being made last night to persuade the rebels, believed to comprise nearly half the 6,000 engineering members at Longbridge, to attend the meeting and vote against the strike.

However all the indications point to a strike, with the issue being settled not by members of Mr Robinson's union but by those of the more militant Transport and General Workers' Union, the largest in the factory.

Last night Mr Brian Mathers, Midlands regional secretary of the transport union, said: "If the workers vote for a strike it will be officially backed by my union."

500 London police for Sheerness

From Nicholas Timmins
Sheerness

All leave in Kent police force area was cancelled yesterday and about 500 London police officers will be sent to Sheerness today as a result of the claim by picket leaders that up to 2,000 steel workers and miners will descend on the Sheerness Steel Company, on the Isle of Sheppey.

Mr Alan Cook, one of the advance picket organizers at Sheerness, said coachloads of steel workers and miners were travelling through the night from Yorkshire, Scotland, the Midlands and south Wales to the Sheerness plant, the only private sector firm that has worked throughout the steel strike.

"We are expecting up to 2,000 pickets", he said.

More than 300 Kent miners are expected to be among the mass picket in the biggest demonstration of its kind that Kent has seen.

A counter-march by steel workers' wives and townspeople is also planned, amid fears that it could lead to violent scenes in a town that picks nervously for today's events.

Mr Cook said the pickets were prepared to stay on if necessary to stop the steel plant working. "We intend shutting them down", he said.

But he appealed to the workers' wives, who in some cases have demonstrated outside the plant with their children by them in recent days, to stay away.

"We are not looking for violence," he said. "We do not want it. But where there is a massive crowd you can get a crush and someone could get seriously hurt."

As tension rose in the town, Mr Michael Robinson, assistant Chief Constable of Kent, appealed to the wives to "play it cool" and said he hoped the picket would be peaceful.

"We neither expect, want, nor are looking for trouble," he said.

Kent police units trained in crowd control will be in Sheerness and Mr Gibson, while refusing to say how many "police will be available, said he had arrangements with the Sheerness company for assistance if needed.

Police preparations came as the defiant steel workers at the Sheerness company rejected a plea from two senior union officials to join the strike.

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Steel rise of 20% as the price of peace

By Paul Routledge
Labour Editor

Union leaders of more than 100,000 striking steel workers and blastfurnace workers have approved a new draft agreement on pay and productivity to put to the British Steel Corporation in two days' time.

The unions' price for an end to the strike, now in its eighth week, is a 20 per cent rise of about 20 per cent, but the two unions that started the strike are thought to be prepared to accept a phasing of wage increases.

Mr William Sims, general secretary of the Iron and Steel Trades Confederation, welcomed the Government's reported intention to retire early Sir Charles Villiers, the BSC chairman, but poured cold water on the suggestion that an American or European industrialist should step into his shoes.

"There are people in British Steel and others in the United Kingdom capable of taking that chairmanship," he said.

The ISTC leader read out telegrams from two private sector firms, the British Chamber of Commerce, calling for an early settlement, as evidence that the strike was beginning to affect industry.

Arthur Osman writes from Birmingham: "Employers' representatives on the private-sector wages board in the West Midlands yesterday asked the ISTC executive to support their claim for a 25 per cent increase. They also sought a seven-day ultimatum of strike action to be delivered to the management side."

Text of Cabinet proposals on secondary industrial action

The working paper on secondary industrial action, published yesterday, stated: "Secondary industrial action in furtherance of a trade dispute can severely curtail the freedom of people who are not concerned in the dispute to carry on their business and for that purpose to have free access to or from their place of work and to their customers and suppliers. Those so damaged are barred from exercising their normal rights to seek redress in the courts against such interference by the immunities given to those pursuing industrial action by the Trade Union and Labour Relations Act 1974 (TULRA) as amended by the Trade Union and Labour Relations (Amendment) Act 1976."

2. The Government have the law on immunities under review. They have already consulted on the appropriate limitation of the immunities in relation to secondary picketing and have made provision for this in Clause 14 of the Employment Bill. The Government's review concerns interpretation and application of the law, notably by the House of Lords in the case of *Express Newspapers v MacShane* (1972) and the need for immediate amendment also of the law on immunities as it applies to other secondary industrial action by the Trade Union and Labour Relations Act 1974 (TULRA) as amended by the Trade Union and Labour Relations (Amendment) Act 1976.

3. It is Section 13 of the 1974 Act (as amended by the 1976 Act) which provides that a person from being sued for acts done in contemplation or furtherance of a trade dispute which induces or threatens a breach of contract. This is of great importance to trade unionists, because almost any industrial action involves a person, usually a union official, inducing others to break their contracts of employment; and without some immunity in respect of such a person would be at risk of being sued every time he called or threatened a strike. It is, however, equally of great importance to anyone else, because the effect of the immunity is to remove from those persons who are damaged by that action the right that they would otherwise have to obtain from the courts a remedy as may be appropriate to the damage being suffered.

4. The practical effect of the operation of the immunity should be made clear. First, people who sue union officials for inducing breaches of contract are not usually concerned with getting damages. They want the action complained of stopped at once by an order from the court. It is unusual for legal proceedings to be pursued to a final order for damages. Even if damages are sought, there is a duty of law to do all that reasonably can be done to mitigate the loss that has been suffered and damages will be awarded only for loss which could not reasonably have been avoided. Secondly, the courts will not normally grant an injunction or an order unless serious loss is being suffered which cannot be compensated for in money.

5. The scope of the immunity given by Section 13 for acts "in contemplation or furtherance of a trade dispute" was extended substantially in 1976. Before that (save for the period of operation of the Industrial Relations Act from 1972-1974) Section 3 of the Trade Union Act 1906, and subsequently Section 13 of the 1974 Act, provided immunity only for inducement of breaches of contracts of employment. However, the 1974 Act (Section 13) was designed to establish, on a statutory basis, a wider immunity in certain cases. For instance, it enabled a person to induce employees to break their contracts of



Mr Prior: "Law on immunities needs amending."

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required is to decide how best to restore to those who may otherwise be damaged (sometimes by the actions of others) their rights at law to protect themselves—so that provisions to secure that right may also be included in the Bill.

13. One course would be to adopt by statute the approach of the House of Lords in the case of *Express Newspapers v MacShane* (1972) and the need for immediate amendment also of the law on immunities as it applies to other secondary industrial action by the Trade Union and Labour Relations Act 1974 (TULRA) as amended by the Trade Union and Labour Relations (Amendment) Act 1976.

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18. Exactly the same position would hold in the case of secondary industrial action in furtherance of a trade dispute by employees of those first suppliers or customers of the employer in dispute who were not themselves party to the dispute but who regularly conduct a substantial part of their business with such a party. These particular first suppliers and customers may be said to be commercially affected by the outcome of the dispute and there would continue to be a substantial commercial interest in the dispute. It is therefore suggested that the test of capability and motive to obtain redress in the courts, as in the case of a person to induce a breach of contract, should be applied to such a person to induce a breach of contract. This would be a person to induce a breach of contract, as in the case of a person to induce a breach of contract.

19. But there the immunity for secondary action which interferes with a commercial contract would end. So, if a person were in furtherance of the original trade dispute to induce a breach of contract, he would be liable to be sued for breach of contract. This would be a person to induce a breach of contract, as in the case of a person to induce a breach of contract.

20. It will be clear that the proposal is to restore to those who are damaged by that action the right that they would otherwise have to obtain from the courts a remedy as may be appropriate to the damage being suffered.

21. These two tests of capability and motive are not sufficient on their own to get more reasonable limits on the immunity under Section 13. Even if both tests were met, some secondary action is clearly too remote from the original dispute to justify the immunity. Those who are damaged by it are those who are damaged by it.

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Restoring employers' normal rights

Continued from page 1

being drawn. He made clear that it was not clear-cut, but that efforts were being made to get maximum clarity into the law.

Once consultation with the TUC and the CBI and other interested parties is complete by the end of next month, the Government will incorporate this proposal into the Employment Bill, which is proceeding through the Commons.

The Bill already includes provisions outlawing secondary picketing except at a person's place of work; the new proposal would deal with secondary "blacklisting" and strikes which

are permitted in present law, as defined by the House of Lords in reversing judgments by Lord Denning and his colleagues in the Court of Appeal.

The Government's working paper purports only to repeal the immunity for employers' actions made in 1974 and 1976. It notes in passing that it had appeared for a time as if Lord Denning's original judgment might do the necessary job.

But the House of Lords made clear that it does not seem clear how remote the person (or business) whose contractual arrangements are thereby interfered with may be from the purity to the "trade dispute" whose interests the "blacking"

is intended to attack, or whether he has any commercial concern in that dispute and its outcome.

It is that that the Government cannot allow to continue. It seems instead to restore "normal rights" to employers but goes somewhat farther than simple repeal.

The paper proposes another "objective" test which judges would be bound to apply in future suits by aggrieved employers, namely that the first supplier, namely the "customer" immunity for unions would apply only where such employers "regularly conduct a substantial part of their business" with the party in dispute.

Weather forecast and recordings



Today	
NOON TODAY	Pressure is shown in millibars. Fronts: Warm, Cold, Occluded. Clouds are indicated by symbols.
NOON TODAY	Pressure is shown in millibars. Fronts: Warm, Cold, Occluded. Clouds are indicated by symbols.

Yesterday	
London: Temp: max 6 am to 6 pm, 12°C; min 6 pm to 6 am, 6°C. Humidity, 6 pm, 65 per cent. Rain, 24hr to 6 pm, 3.6hr. Bar, max level, 6 pm 1015.4 mbars, rising.	1,000 millibars = 29.53 in.
Overseas selling prices	
Australia 51.00, Austria 50.00, Belgium 49.00, Canada 50.00, Denmark 49.00, France 49.00, Germany 49.00, Italy 49.00, Japan 49.00, Korea 49.00, Netherlands 49.00, Norway 49.00, Sweden 49.00, Switzerland 49.00, Taiwan 49.00, Thailand 49.00, United Kingdom 49.00, USA 49.00.	

1980.

Mercedes 200	£7823
Ford Granada 2.3GL	£7693
Audi 100L 5S	£6690
Rover 2300	£6576
Renault 20TS	£6414
Volvo 244DL	£5995

1984.

Let's assume the year is now 1984.

Four years ago you bought a new Volvo 244DL. At the time it seemed a pretty good bet.

In terms of performance, space and economy there was little to choose between the Volvo and its rivals, give or take a few seconds, inches and mpg.

In terms of equipment the Volvo couldn't be faulted; headlamp wash-wipers, a tachometer, a heated driver's seat and 4 inertia-reel seat belts all came as standard.

And the Volvo did cost substantially less.

Looking back to 1980, do you still believe you made the right choice?

Well, if all the surveys by motoring magazines and consumer organisations hold true, you will have no regrets.

Time and time again the Volvo has come out as having fewer breakdowns than the average car, fewer major faults and fewer days off the road.

Or to put it another way, less expense for the Volvo owner.

So even if Orwell's vision of 1984 has become fact, at least you'll have one thing to smile about.

AND BEYOND.

Many a car begins to show its age after 4 or 5 years' hard use.

Yet at this point a Volvo isn't even approaching middle age, let alone retirement. Statistics compiled by the Swedish Government show that Volvos last longer than any other car tested, giving an average of 17.9 years' service before that final journey to the scrapyard.

Obviously we're not suggesting you keep your Volvo this length of time.

But we are pointing out that their reliability and durability is well-known amongst those looking for a second-hand car.

Consequently, used Volvos tend to fetch a very good price indeed.

And there's nothing like a big cheque to soften the blow of parting with a car that's given you so much faithful service over the years.



VOLVO. A CAR WITH STANDARDS.

(PRICES ARE FOR MANUAL VERSIONS INCLUDING CAR TAX & VAT AT THE CURRENT RATE.) FOR THE 1980 EDITION OF VOLVO FACTS WRITE TO: DEPT. T 09 VOLVO CONCESSIONAIRES LTD, LONDON W13 9JQ. PRICES FOR THE NEW 1980 200 SERIES START FROM £5995 (DELIVERY & NUMBER PLATES EXTRA) ALL PRICES CORRECT AT TIME OF GOING TO PRESS. SALES TEL: HIGH WYCOMBE (0494) 33434. SERVICE TEL: IPSWICH (0473) 72026, PARTS TEL: CRICK (0788) 82351. SOURCE: SWEDISH MOTOR VEHICLE INSPECTION CO. 1978.

HOME NEWS

Inquiry into nuclear test drilling in Ayrshire opens to an objector's shout of 'farce'

From Ronald Faux
Ayr

There was an abrasive start yesterday to the public inquiry into the proposal to drill holes in Mullach Hill, Ayrshire, as part of a nuclear research programme.

Mr William Campbell, the reporter, had hardly declared the hearing open in Ayr town hall, when an objector shouted that the inquiry was a farce and an offence to natural justice.

The man was protesting at the narrow remit of the inquiry which is into an application by the United Kingdom Atomic Energy Authority to make test holes in the granite of the hill and to set up a few temporary huts.

The counsel for the two local authorities opposing the application, the Kyle and Carrick and the Cummock and Doon district councils, said they were

reserving their position over the restrictions placed on Mr Campbell by the Secretary of State for Scotland.

Mr Campbell told the objectors he would listen as patiently as possible to their wide variety of arguments but he said the scope of the inquiry concerned borings and huts. No one would be prevented from calling evidence about the disposal of nuclear waste but the further their points ranged from the main scope of the inquiry, the more they could expect to be summarised in his report.

A businessman from Edinburgh, representing "the people of Scotland", objected to the dumping of nuclear fission waste but did not intend to sit around in Ayr for weeks. He made his point and left.

Mrs Marjorie Linklater, of the Orkney "no uranium"

campaign, said the report after an examination in public in Orkney of their objections had been most partial, and heavily weighted against the feelings of the local authorities and the people. Mr Campbell conducted the Orkney inquiry.

Mr William Scott, Under Secretary at the Scottish Development Department, dealing with policy on nuclear waste management, told the inquiry that no decision had been taken on whether high-level radioactive waste would ever be disposed of underground.

Given the scope of the research programme and the length of time likely to be required to carry it out, it would be at least 10 years before a decision was made on likely sites for a repository. The inquiry is likely to last several weeks.

Atom waste ships are defended

By Pearce Wright
Science Editor

Waste nuclear fuel is a less hazardous cargo to carry by sea than many other materials transported by ship as a matter of routine, according to British Nuclear Fuels Ltd.

The company expresses that view in a reply to a study made for the Greenpeace Foundation which refers to the hazards of handling nuclear waste cargoes, and in particular to the potential severity of a release of radioactivity from a fire on a ship.

British Nuclear Fuels maintains that the principal line of defence against an accidental release of radioactivity lies in the inherent safety of the vessels, which are designed to meet standards agreed by a group of international experts. Other precautions avoid the hazards attributed by Greenpeace to transport by sea, the company says. The company says that the vessel Pacific Swan, which carries nuclear waste from Japan to Barrow, are based on a totally unrealistic sequence of events, it is claimed.

That observation exposes the fundamental gulf between supporters and opponents of nuclear power, because there are certain hypotheses about accidents that the first group rejects as incredible and the second group regards as probable.

The survey undertaken for the Greenpeace Foundation by the Political Ecology Research Group, Oxford, describes how severe radioactive contamination could result from a fire leading to a ship's cargo holds.

The contamination would be released into the atmosphere because fire-fighting equipment on board, or a land-based service in a port like Barrow, could not cope with the blast. The company regards that sequence of events as far fetched.

It says that as the nuclear waste vessels carry no flammable cargo and have only fuel oil on board, an outbreak of fire is a remote risk.

There is a limited supply of air to the holds and fuel oil is carried in several separate tanks, the company says.

The suggestion of a nuclear waste fire reaching a temperature of 1,100°C, provoking catastrophic failure, in a nine-hour fire is seen as an impossibility.

Although British Nuclear Fuels believes that the flasks are designed to be safe in all credible circumstances, additional precautions and special features are being incorporated in the cargo ships to increase safety. They include collision protection, duplication of navigation equipment, satellite communication systems, special fire-fighting equipment and emergency hold flooding.

Our Whitehall Correspondent writes: The atomic dumping site at Drigg, west Cumberland, has become one of the best unofficial wildlife sanctuaries in the country, British Nuclear Fuels says.

Animals including badgers and foxes, and rare reptiles and birds are thriving on the site, even though low-level radioactive waste from Windscale a few miles away has been dumped there for 30 years.

Sites for nuclear stations, page 20



Dangling window frames and a large gap where a house once stood in Leeds Road, Wakefield, before yesterday's explosion.

Seven hurt in house explosion

From Our Correspondent
Wakefield

Seven people were taken to hospital yesterday after an explosion wrecked a three-storey house in Wakefield, West Yorkshire. One resident, a nurse, aged 29, was trapped under debris for 80 minutes.

Miss Dorothy Gomersom, the nurse, was in bed at the time of the blast and she and her bed fell through the floor into the basement. A door acted as a

shield and prevented debris falling on her.

She was brought out through a small gap dug in the wreckage by a fireman and two policemen. A policeman said: "While we were working to free her she started crying and we were really moved."

Window frames were blown 60 yards from the wrecked house and clothing was blown into trees. Two people walking past were cut by flying glass and were among the seven taken to hospital.

Miss Gomersom was detained with head and back injuries. Two other casualties were also detained but the rest were discharged after treatment.

The house, in Leeds Road,

was the middle one of three had been converted into seven flats. It was largely destroyed and those on either side had windows blown out and walls cracked. The explosion, just after 8 am, brought residents into the street in their night clothes.

One of the first policemen on the scene found two men balancing precariously on the edge of one of the upstairs floors. They were later rescued by firemen.

One of the people who lived in the house's basement was found with the skin on part of his face and the backs of his hands blown off.

As they worked rescuers feared that the shell of the house might collapse. But they

were worried that more people might be trapped and only when everyone had been accounted for did they move out to allow the building to be made safe.

Chief Supt John Gilmour, head of the Wakefield division of West Yorkshire police, said the cause of the explosion was being investigated and forensic science experts had been called in.

Gas had not been ruled out as a cause although there was no mains gas to the flats. He said: "Everyone in the flats had a remarkable escape."

The three people detained in hospital were named last night as Mr Anthony Cooper, Mr Austin Bailey and Miss Gomersom. The two men were not seriously hurt.

Ombudsman is concerned by tax officials' errors

By Trevor Fishlock

The income tax authorities are taken to task by Mr Cecil Clothier, QC, the Parliamentary Commissioner for Administration (Ombudsman). In his annual report published yesterday.

He says he is concerned about serious injustices caused by errors in handling tax returns, for which there is either no remedy or only an inadequate one. He believes the Inland Revenue should acknowledge its responsibilities and meet them.

Mr Clothier is especially concerned about demands for tax arrears which accumulate through official error.

"I was disturbed by the outcome of my investigation into a case where I criticized gross error on the Inland Revenue's part, but had to report that they offered what I considered an inadequate remedy. On review I found that out of 120 cases 86 were pensioners and in 79 cases the errors involved failure to make proper coding arrangements."

Mr Clothier said he was pleased that more cooperation between the tax authorities and the Department of Health and Social Security should reduce the number of errors made in coding. But he questioned the validity of the Inland Revenue's presumption that the taxpayer was able to accept less than a third of them.

his affairs were in order" and so not qualify for remission.

"It is not easy for the average taxpayer to understand, let alone check in detail, the assessment he receives. I feel people have a right to expect the Inland Revenue, if properly informed by the taxpayer, not to make mistakes."

The Ombudsman says he is disturbed that in certain cases there still remains no remedy for those whose affairs are badly handled by the Inland Revenue, even where error is acknowledged.

The tax authorities are sometimes prepared to make extra payments in hardship cases falling outside agreed guidelines, Mr Clothier says; but only in cases of "absolute hardship".

On this point he writes: "I do not accept that there is any such state as absolute hardship. All hardship is relative to circumstances."

Mr Clothier, the first Ombudsman appointed from outside the public service, feels that the committee was not able to handle more cases and cover a wider territory.

The 758 complaints he received during the year were a two-fifths reduction on the number he had in 1978. Under the terms of his jurisdiction he was able to accept less than a third of them.

Two injured in street gems raid

By a Staff Reporter

A gang armed with a shotgun and a lead-pipe cash robbed two diamond dealers of stones and rings worth about £150,000 outside the London silver vaults yesterday.

Mr Joseph Rabinstein, aged 63, and Mr Emanuel Rabinstein, aged 51, his cousin, were attacked by three men in a hired white transit van as they left the vaults of Chancery Lane, at 9.30 am. A traffic warden was dragged into the struggle and a shot fired in the air before the gang bundled the elder of the cousins into the van and escaped.

The van, hired on Monday afternoon from a company based at Croydon, was later found abandoned behind the offices of The Guardian newspaper off Farringdon Road, where Mr Joseph Rabinstein's office was taken to St Bartholomew's Hospital where he was detained with a suspected fractured skull. His cousin was treated for head injuries and released.

Both men, who work for Max Rabinstein and Son, of Fleet Street, are understood to have made trips twice daily to a safe deposit box in the vaults.

Police are seeking information on the whereabouts of the van, marked with the words "Swift Hire, after it was hired."

Coroner asks for heart postmortem

By Our Health Services Correspondent

A post-mortem examination is to be held on Mrs Dorothy Hayward, aged 46, the widow who died after a heart transplant operation at Harefield Hospital, near Uxbridge, Middlesex, at the request of Mr John Burton, the West London Coroner.

Until then hospital doctors cannot take tissue samples from the heart, which came from a Dutch car accident victim, aged 20, to discover whether there was rejection.

Mr Magda Yacoub, the consultant surgeon who led the transplant team, will try to establish how far Mrs Hayward's condition as a victim of progressive heart disease for over six years, affected the failure of the transplant.

One result was that by the time Mrs Hayward was admitted to hospital, she was in a much worse condition than might have been the case had social workers been at work. Some of the elderly died possibly prematurely, the report suggests.

The British Association of Social Workers said yesterday that the report demonstrated how greatly social workers were missed by both clients and other professional workers.

An investigation into the effect on clients of Industrial Action by Social Workers in the London Borough of Tower Hamlets, (Cashier, FBI, Room 3A, Block 2, DHSS Government Buildings, Honeyport Lane, Stanmore, Middx, HA7 1AY), £160.

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The couple stayed in the

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Princess Margaret travelled to

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Defence theft charge men

remanded on bail

From Our Correspondent

Nottingham

Two men, who were said to

face serious charges of stealing

from the Ministry of Defence

at Aldershot, were given bail in

their absence at Nottingham

Magistrates' Court yesterday.

They were remanded to appear

in Nottingham on April 22.

Christopher Francis May,

aged 25, of Sonning Lane,

Sonning, Berkshire, and Stephen

Ustick, Beauchamp, aged 29,

of Eldon Square, Reading,

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with stealing property valued

at £61,600 during a motor spare

parts sale at a Ministry of

Defence depot at Ruddington,

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cluded vehicle light bulbs,

flashing units, reflectors, and

connectors.

Mr Christopher Worthington,

for the prosecution, said that

the men faced more serious

matters involving thefts from

the Ministry of Defence

Social work strike split up families, report says

By Pat Healy
Social Services Correspondent

Some children have lost all contact with their natural parents, or any hope of being fostered, as a direct result of the 10-month strike by social workers in the London Borough of Tower Hamlets, the Department of Health and Social Security says in a report published yesterday.

That is one example of how social work clients suffered in the strike, according to the report, compiled by the London region of the Department's social work service. It shows that existing and potential clients suffered from the withdrawal of labour by social workers. Children and frail elderly people were particularly affected.

A number of children, including a family of four, who were close to being fostered when the strike began in August, 1978 were still in care when it ended in June, 1979 because social work support was not there to complete the fostering process.

Other children placed in care temporarily because of marital difficulties were placed in short-term foster homes before the strike began. Because there were no social workers to maintain contact with the foster or natural parents, by the time the strike ended the fostering had stretched into an indefinite period, making it unlikely that the children would ever return home.

Other professionals, particularly health visitors, doctors and nurses, were forced to take on some of the work normally done by social workers to the detriment of their normal work. The report observes that the strike pushed the resources of the agencies, both statutory and voluntary, well beyond their limits.

Health visitors were diverted from their normal work with elderly people by the need to keep a closer watch on children at risk of violence in their own homes.

One result was that by the time frail elderly people were admitted to homes or hospitals, they were in a much worse condition than might have been the case had social workers been at work. Some of the elderly died possibly prematurely, the report suggests.

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HOME NEWS

'Severance pay' plan is urged to avoid splitting Labour vote

By George Clark
Political Correspondent

Proposals for the "automatic reselection" of Labour Party candidates by each constituency party, whether or not it has a sitting MP, are supported by the Labour Parliamentary Association in its submission to the commission of inquiry considering the party's future organisation.

The association, commonly known as the party's "youths", has about 500 members, most of them candidates who are contested general elections or are potential candidates looking for a constituency to adopt them.

Some MPs belong to the chairman being Mr. Ernest Roberts, MP for Hackney North and Stoke Newington, and the vice-chairman Mr. Dennis Skinner, MP for Bolsover.

The association says that each constituency party should, "in the event of a party meeting", call a selection conference to select its general election candidate. It thinks the present procedure should be retained.

General Management Committee, delegate system of parliamentary selection is, in general, an honest reflection of Labour members' views and is not normally susceptible to

corruption or subsequent dispute, as might easily be the case were all Labour members eligible to vote at a selection conference, whether in person or by post, the association says.

When an MP retires, as a result of being unsuccessful at a selection conference or for any other reason, the association considers that he or she should be compensated by some form of severance pay.

Any inducement to stand against the party as an independent should be eliminated, the candidates say, "and reasonable severance pay would seem to be a just method of achieving this".

Severance pay should be dealt with by legislation, not left to the constituency party to pay, nor to the Labour Party centrally, "for in no sense is an MP an employee of either the CLP or of the Labour Party".

This proposal would obviously require the consent of a Commons majority, so would have to await an election at which Labour gained a substantial majority (even assuming the party endorsed it); but there are indications that if sitting Labour MPs are forced out, they would stand as independents.



Miss Pears 1979: Christine Cashman, aged five, of South Croxson, posing before her portrait yesterday after she had unveiled it at the Royal Academy, London. It was painted by Crispin Thornton-Jones, of Craswall, Herefordshire, whose work at last year's Royal Society of Portrait Painters Exhibition in London attracted the attention of A. & F. Pears.

WEST EUROPE

15 million starlings pick French farms clean

From Our Own Correspondent
Paris, Feb. 19

The countryfolk in the remote commune of Laz on the Finistère peninsula of Brittany might be excused at the moment for believing they are living in a scene from the Alfred Hitchcock thriller *The Birds*. They are doing battle with about 15 million starlings which are threatening their livelihood.

The birds arrived at the end of January, huge clouds of them, from neighbouring Crozon to the east, where they had already exhausted the food supplies.

The local council has been doing its best to get rid of them, letting off hundreds of fireworks and firing bird scarers. The noise of battle rolls across the normally quiet countryside.

So far, however, it has all been to no avail. The birds remain and each day they eat about 30 tons of corn—20 grams a bird—because silos offer no defence. A desperation, the town is thinking of calling in the army.

Earlier this month farmers in the St. Lo area faced a similar invasion of starlings. Five million of them were using a wood as a dormitory and they refused to move despite being bombed from a helicopter with a chemical jelly.

According to a scientist at the Museum of Natural History in Paris the gathering of great clouds of starlings has become increasingly common in recent years due to the tendency to create larger farms.

This has meant the destruction of hedgerows and copses, the natural habitats of the animals like martens and weasels which prey on the birds' eggs. This ecological change has led to an explosion in the starling population.

According to the French National Institute for Agronomy Research, starlings are 216,000 tons of food in France during 1978. Farmers in Laz have no reason to think that figures are an exaggeration.

Action fortnight brings political rift between France's main union groups to a climax

From Ian Murray
Paris, Feb. 19

The largest trade union group in France, the Communist-dominated CGT, has begun a much-heralded "fortnight of action" aimed at increasing union militancy on the shop floor throughout the country. But already it has caused a split with the second largest union group, the Socialist CPDT.

All the lip service paid down the years by the two groups to the idea of a united approach in arguing the workers' case before management seem to have gone out of the window in the flurry of invective provoked by the rallying calls for the fortnight of action, and the CGT's insistence on rejoining the Communist Party line.

The trouble came out into the open on January 29 after a top-level meeting between the leaders of the two union groups. The omens for that meeting were already not auspicious and they proved right.

The meeting went on for four hours, although for half that time the two sides were meeting separately discussing their position in the light of what had been said while they were together.

The point at issue was the CGT's insistence that the fortnight of action should be limited to pressing the case for better salaries, jobs and conditions. The CPDT could not accept that a union's obligations to its members ended there and insisted that the political beliefs of the unions could not be ignored.

What was worrying the Socialist union was the fact that the CGT had taken up a strongly pro-Soviet stance after the invasion of Afghanistan and the exile of Dr. Andrei Sakharov, the Soviet dissident scientist. To the CPDT it was impossible to work as allies with a union movement which supported what it considered were basic breaches of human and international rights.

The CGT promptly rounded on the Socialists, accusing them of being scared of joining the fortnight of action. M. Charles Seguy, the leader of the CGT, said at the weekend that the CPDT had categorically refused to join in a common declaration renouncing the fight for better conditions.

That has stung M. Albert Mercier, the national secretary of the CPDT, to reply that these continual attacks are destroying any chance of united action based on a clear agreement on objectives and styles of action.

The style of action preferred by the CGT is still this fortnight's variety, complete with a national rally in Paris on Thursday, led by M. Seguy. The Communist newspaper, *L'Humanité*, has launched it today with a long list of individual cases in which it alleges that workers have been persecuted by employers, in one instance to the point of suicide.

EEC faces tomato 'swamp' and peach mound

By Hugh Clayton
Agriculture Correspondent

The European Community would soon have a "mountain" of surplus peaches and a "swamp" of unwanted tomatoes, food importers said yesterday. Mr. Derek Leigh, trading director of John West Foods, told reporters in London that the EEC was "spending money indiscriminately to boost inefficiency".

The importers' statement was the latest in a series of complaints from Britain about the working of the common agricultural policy. Mr. Leigh said that the level of protection given to EEC farmers against imported produce was too great and too costly.

Mr. Peter Gibbons, manager of A. J. Mills & Co., said that the extra duty imposed by the EEC on corned beef from outside added 7p a lb to the cost of the product in British shops. Mr. Leigh said that canned foods like salmon and pineapple attracted heavy taxes when they came into the Community even though there were no equivalent products in Europe.

EEC subsidies to Italian growers had encouraged a doubling of Italian tomato output in the past two years and an expansion of the acreage of peaches. "Before too long we are going to have piles of peaches and tomato swamps to add to the butter mountains and wine lakes," he said.

Mr. Leigh, who is president of Frucon, the EEC association of processors of food importers, said that the subsidy on peaches was equivalent to half of the retail price of a 1lb tin in Britain.

"Who is paying?" he asked. "The taxpayer, of course. It is crazy when traditional suppliers in countries like South Africa and Australia could provide those peaches at the same price as Italy without any cost to the taxpayer."

He said that duties on imports and subsidies to EEC growers should be cut, and that the subsidies should be paid only on limited amounts of food.

Ulster economic policy attacked

From Annabel Ferriman
Belfast

The Social Democratic and Labour Party attacked British economic policy in Northern Ireland yesterday, saying that after 60 years of British rule the overpopulation picture was of a collapsing economy.

In a paper presented to the parallel conference at Stormont, in which the SDLP is meeting Mr. Humphrey Atkins, Secretary of State for Northern Ireland, the party says that the British Government's rule, through Stormont and afterwards, has brought "neither peace, stability, nor good government".

It says that the province has the lowest industrial earnings in the United Kingdom, the highest unemployment and the

highest rate of emigration. It also has the highest rate of infant mortality, the lowest life expectancy and the poorest standard of living.

Manufacturing industry is in drastic decline, labour shed by agriculture has nowhere else to turn, and the growth rate is at zero. The province has the highest dependence on external security, the greatest reliance on income maintenance, and the average standard of living is 78 per cent of that of the United Kingdom.

The paper says that while unrest in the province has discouraged industry, it has provided additional employment for prison officers, security guards in private employment, policemen and army reservists.

moray, and allowing that the Royal Ulster Constabulary regular force were to remain at its present strength of 6,642, there would be at least 15,000 people left jobless.

The party accuses civil servants in Northern Ireland of dragging their feet on cross-border economic cooperation. It says that opportunities exist for cooperation with the republic's Industrial Development Board, the electricity authorities and others.

Forty-six public bodies were appointed in full or part by the British Government and all were dominated by unionists, the party says. The British Government had not made use of them to encourage a partnership administration.

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IRA admits murder of British colonel

From Our Own Correspondent
Belfast

The Provisional IRA yesterday claimed responsibility for the murder of Colonel Mark Coe of the British Army of the Rhine in Bielefeld, West Germany, at the weekend and at the same time admitted the murder of Sir Richard Sykes, British Ambassador to The Hague, last March.

Colonel Coe, aged 43, a father of six, was shot as he was parking his car outside his house on Saturday. Sir Richard, aged 58, was shot as he was about to drive from his residence to the Embassy, last March 22.

The Provisional IRA claimed in a statement issued in Dublin

that Sir Richard had engaged in intelligence operations against its members and was therefore more important than other ambassadors.

Colonel Coe, who had been in Ireland in 1972, was "executed in an army which is engaged in oppressing the nationalist people in the occupied six counties", the statement said.

"The reason for these attacks is crystal clear: the continued occupation of part of our country. Other British oppressors wherever they be stationed should know that by no means have we finished."

The statement also said that the IRA was responsible for bombings in British Army bases

in West Germany in 1978 and 1979 and the bombing in Brussels on August 28, 1979, when a military band was about to play.

Cash victims named: The two soldiers who were killed in a helicopter crash four miles west of Belfast on Monday night were named yesterday as Acting Sergeant Kenneth Robson, aged 27, single, from Newquay, Cornwall, and Lance Corporal Robbie Lister, aged 22, single, from Colchester, Essex.

The men died when their helicopter crashed into a power cable on a routine flight from Aldergrove airport to Lisburn. An inquiry into the accident, which occurred in dense fog, has been set up.

Inquiry into second house fire in Anglesey

From Our Correspondent
Llandudno

Police in North Wales said yesterday that a second holiday home fire has been discovered in Anglesey, a few miles from the cottage found badly damaged on Monday.

The latest incident is at Tycroes and involved a holiday cottage owned by a local estate company. There had been a break-in and attempt to start a fire, but the only damage was caused by smoke.

Yesterday forensic scientists were at the scene of the other fire at Newborough, in which a bedroom of a holiday cottage owned by Mr. Frank Nugent, an electrical engineer, and his wife of Audenshaw, Greater Manchester, was badly damaged. Later the scientists examined the Tycroes cottage.

The two incidents have brought the number of holiday home fires in Wales to 19. The incidents began in December and a group of nationalist extremists is believed to be responsible.

Tests show no arsenic in three south coast whales

By Frances Gibb

As the sixth dead whale was washed ashore on the south coast yesterday, government scientists announced that tests on three of the whales provide no evidence that they were poisoned by arsenic trichloride from the sunken Greek freighter *Aeolian Sky*.

The tests, at the Ministry of Agriculture's Fisheries Laboratory at Burnham-on-Crouch, Essex, have not ruled out the possibility of poisoning from other chemicals and further tests are being carried out to establish the exact cause of death.

It is thought more likely that the whales have come from as far away as the South Atlantic and been washed into the Channel by an unusual combination of winds and currents.

"It has been noted that the whales had been dead for some time", the laboratory report says, "and it is considered

quite possible that they may have drifted a considerable distance before they were washed up."

The whales, sperm and pilot, were all in a state of advanced decomposition and had been dead for some time.

The report comes just before a visit to the Isle of Wight today by Mr. Marcus Fox, Under-Secretary of State at the Department of the Environment, to assess the extent of the danger from the sunken freighter.

More than 1,000 canisters from the ship have been washed ashore on beaches in Dorset, Hampshire and Sussex, and about a dozen of them are thought to contain arsenic trichloride, which is lethal when exposed to air.

The freighter sank 12 miles east of Portland Bill on November 4 when being towed to harbour after a collision with a German tanker. The other less harmful chemicals such as hair spray and nail varnish,

Ex-MP says police forced him to undress

Raymond Blackburn, the

campaigner against pornography, complained at Marlborough Street Magistrates Court, London, yesterday, that he had been forced to remove his underpants in the presence of two smiling young police officers. He draped a pair of grubby pants over his groin and brandished them at officers while questioning them about how he was searched at West End Central police station.

Mr. Blackburn, aged 64, a former Labour MP of Hornsea Road, Chiswick, London, denied being drunk and dis-

orderly. He was fined £5 and ordered to pay £15 costs.

He told the court he was an alcoholic who rarely drank. On September 8 last year he had consumed brandy and champagne.

He accused the police of lying about his behaviour, and said he would take further action against them. He accused Mr. David Hopkin, the magistrate, of being a police magistrate, and said: "I think it is scandalous that this country should be turned into a police state." He said: "There is absolutely no evidence of being disorderly."

Plan to revitalize docks is backed on Merseyside

From Our Correspondent
Liverpool

Merseyside County Council, which had bitterly opposed the Government plan to set up an urban development corporation to revitalize the derelict South Docks at Liverpool, yesterday gave its approval, subject to certain reservations. It denied making a U-turn.

The council carried with one dissenting vote a resolution emphasizing the need to cooperate with the scheme now that it had become government policy. It unanimously welcomed the fact that Sir Kenneth Thompson, county council chairman, who had opposed the plan, had agreed to become deputy chairman of the corporation.

Burns Club

A report in *The Times* on January 23 about a Burns dinner in Moscow has been taken to imply that the Edinburgh Burns Club had met and considered the matter, and that no objections to proceeding with the arrangements had been raised. That is a misunderstanding of the position. The club had not then met since the invasion of Afghanistan, and its president had made no statement on its behalf.

Getaway car of building society gunman found

An escape car used by a

gunman who held hostage a building society manager, his wife and their son, and three months, as their house during the weekend has been found. The white Marina was parked outside Woodford Underground station, east London.

Police, who found it after a street-to-street search, believe the gunman drove straight here on Monday morning after escaping with £11,000 from a Halifax

Building Society office. Police are seeking witnesses who may have seen him in the car or boarding a train.

Mr. William Knights and his wife Marion were held hostage at their home in Rodling Lane North, Woodford Green, later the gunman drove Mr. Knights to his office and a deputy manager was ambushed as he arrived with a second safe key. The raider fled with the weekend deposits.

"To appreciate Lufthansa, once in a while, one has to fly another airline."

This is an authentic passenger statement.



Lufthansa
German Airlines

WEST EUROPE

East-West scientists meet under an international cloud

From Patricia Clough
Hamburg, Feb 19

About 300 leading scientists from East and West are gathered here for two weeks' discussions on cooperation, knowing full well that the results will be meagre. They are in Hamburg because the 35 countries of the 1975 Helsinki Conference on Security and Cooperation in Europe agreed to improve exchanges of contacts and collaboration in the scientific field.

But there are few illusions here on either side. The more optimistic hope that after the conference they will be able to recommend to their governments that they collaborate in certain projects in the fields of energy, food production, and medical and sociological research.

But the Scientific Forum, as the conference is called, will not remove the real obstacles to collaboration, in particular the restrictions on the movement of Eastern European scientists, Western delegates say.

Lord Todd, the president of the Royal Society and head of the British delegation, has complained in strong terms about the trouble caused to organizers of scientific meetings who frequently invite individual Soviet scientists, often offering generous expenses, only to have their invitations ignored, rejected, or accepted and then cancelled at the last moment without explanation.

As his American and French colleagues pointed out, feeling among Western scientists about the Soviet Union's persecution of its scientists involved in human rights activities, is so strong that many are refusing to collaborate with Soviet scientists until the situation improves. The forum is providing an opportunity for the scientists to make contacts; as a Rumanian delegate put it, there are two conferences, one official

and the other round glasses of beer. But most of the scientists know each other already, anyway, since they meet at international conferences or through contacts between their institutions.

Western scientists, delegates say, are also cool about becoming involved in projects which, since Western technology is advanced, would mainly be a one-way traffic in favour of their Eastern colleagues and with little benefit to themselves.

The first few moments of the conference were somewhat painful as the local choir and orchestra started the inaugural concert in two entirely different keys. It looked as if political discord was to follow.

The Soviet delegation, on the defensive from the start, had put it about that they would walk out if the subject of their dissident scientists was brought up.

It was in most emphatic terms—by British, American and, today, French delegates, but just as several Western delegations had resisted the temptation to boycott the conference, the East Europeans grunted their teeth and sat it out with nothing more than angry protests.

It appeared clear to diplomatic delegates in the forum that neither side wanted to take any action which would damage the prospects of the next "Helsinki" conference in Madrid in November.

British protest: The Council of the Royal Astronomical Society has sent a telegram to the Soviet Academy of Sciences condemning the restrictions placed on Dr Andrei Sakharov, the Nobel prize winner, as a violation of human rights. The telegram said they threatened relations between Soviet and British astronomers and geophysicists and endangered the continuation of scientific exchanges.

OVERSEAS

Decisive Trudeau victory in Canadian elections

From Patrick Brogan
Toronto, Feb 19

The Liberal Party won a decisive victory in the Canadian general election yesterday and Mr Pierre Trudeau will return to power after a nine-month interval. The Liberals won 48 per cent of the vote and 148 seats out of a total of 281, compared with 114 in the election last May.

The Progressive Conservatives were reduced to 101 seats and 30 per cent of the vote. In 1979 they won 156 seats and 35 per cent of the vote. Mr Joe Clark, now they must return to opposition.

The third party, the New Democratic Party, won 32 seats and 18 per cent of the vote, compared to 27 seats last year. They lost seats in the Maritimes and Ontario, and did well in the west. The Social Credit Party in Quebec lost all its seats and two thirds of its vote.

One seat in Quebec will be contested in a special election next month because one of the

candidates died during the campaign. The Liberals will take 16.

They will then have 74 of the 75 seats in the province. One Conservative survived, with a very narrow margin. They lost two seats in Quebec though their share of the vote stayed steady at 13 per cent; the Liberals increased their share from 52 to 58 per cent.

They did well in the Maritimes, picking up six extra seats, four from the Conservatives and two from the NDP.

The election was decided in Ontario, however. That fickle province, which voted out Mr Trudeau nine months ago and put Mr Clark into office, returned 54 Liberals this time, 36 Conservatives and five NDP.

The Liberals won 18 seats from the Tories and three from the NDP.

In Metropolitan Toronto the Liberals won 11 seats, a gain of seven; the Tories won four, losing eight; and the NDP picked up a Tory seat, winning two altogether.

The Tories thus lost all the seats they won from the

Liberals last May and in the space of five elections in October, 1978. In one constituency, for instance, York-Scarborough, a Tory majority of 30,000 in 1978, reduced to 3,000 last year, became a Liberal majority of 3,000 this time.

Things look very different in the West. In the four provinces and two territories west of Ontario, the Liberals managed to win two seats only, both in Manitoba.

The NDP did well in the West particularly in British Columbia, where the Liberals lost their one seat. The NDP won 15 and the Tories 10. Only Alberta, Mr Clark's home province, remained faithful to the Conservatives, returning all its 21 Tory MPs.

Power in the West therefore, is divided between Conservatives and NDP. Ontario remains the country's chief electoral battlefield. Quebec and the French districts of New Brunswick and Prince Edward Island are overwhelmingly Liberal, and Conservatives and Liberals divided up the rest of the Maritimes. None of the three parties

can any longer make any serious pretence to being a national party.

The two issues that decided the election were the question of leadership and energy policy. The country clearly preferred Mr Trudeau, after Mr Clark's poor showing during the nine-month conservative interregnum.

Mr Clark was thought a blunderer. He made a number of unimportant but conspicuous mistakes that damaged him in the eyes of the electorate, particularly in Ontario. The Liberals forgot their former intense hostility to Mr Trudeau.

Paradoxically, Mr Clark was defeated in Parliament last December for exercising too much leadership. He spurned the compromises which usually rule a minority Government.

He grasped the oil price, fearing that the price of oil in the world must reflect world prices and that the only way to reduce consumption was to increase the cost of petrol. He proposed a modest 18 cents a gallon excise tax on petrol in his budget and the Government was defeated.

Resides promising that oil prices would not be allowed to go up as far as Mr Clark wanted, Mr Trudeau avoided setting out a coherent energy policy. Canada imports a third of its oil and, like the United States, is clinging to its cheap petrol and high consumption, despite the balance of payments deficits and inexorable inflation the policy brings in its wake.

The electorate voted for the present price of petrol of about \$1.05 (56 pence) a gallon. The Liberals' comfortable majority gives them the possibility of reversing themselves smartly and implementing a tough energy policy. Such a move might shock the electorate but there need be no new elections before 1984.

Such a change might be easier if Mr Trudeau were to resign soon. His numerous opponents in the party expect him to stand down before a party convention in the autumn.

Quebec confidence: In what was more a plebiscite than an election in Quebec, the province elected Mr Trudeau, its "favourite son", with a vote of

full confidence. The Liberals captured every seat in the province except one, which went to a narrow margin to the Conservatives. (Aline Pankesh writes from Montreal.)

One political commentator summed up the results this: "In Quebec the Liberals are in first place. Everyone else is in no place."

Mr Roch LaSalle, the successful Tory candidate, a former minister in the Clark Cabinet, expressed concern for the future of Quebec "with a confrontationist Prime Minister, like Pierre Trudeau, back in power. He would never negotiate with René Lévesque and that kind of strategy is very unhealthy."

The election dealt a death blow to the Social Credit Party, seen by many as representing the protest vote from the country.

The New Democratic Party had cause for celebration in Quebec since despite winning no seats it doubled its share of the popular vote and in several constituencies replaced Conservatives and Social Creditists in second place.

Lord Soames to issue new rules for voting

From Dan van der Vast
Salisbury, Feb 19

Lord Soames, the Governor of Southern Rhodesia, will take further steps by the end of a week to minimize intimidation during next week's elections here, British spokesmen disclosed tonight.

A new ordinance is to be issued, severely restricting the access of polling agents to voting stations. This is part of the continuing effort to reassure voters that their ballots will be completely secret.

Further, the singing, dancing and chanting of slogans familiar in African elections will not be allowed within a 100-metre radius of polling stations. Almost all the 540 British policemen expected here at the weekend will be posted at rural polling stations as further reassurance to voters.

There are to be cast at a total of 657 polling stations. Of these, 216 rural and 119 urban will be static and 298 rural and 23 urban stations will be mobile, going from place to place during the three days allowed for voting. There will also be one air-mobile station.

A British spokesman tonight gave the figure of 196 as the new total of breaches of the ceasefire. Of these, 93 were breaches of the ceasefire, the military wing of Mr Robert Mugabe's Zanu (PF) Party, with another 35 occurring in its former operational area. Twenty-three were breaches of the ceasefire in the Rhodesia Patriotic Front party, with a further 11 in its former area of operations.

Of the rest, two breaches were attributed to the Rhodesian Security Forces (together with 11 cases of incitement by them of breaches of the ceasefire), 17 to bandits and 15 to unidentified parties.

Earlier, Bishop Abel Muzorewa, the former Prime Minister, and leader of the UANC, claimed that the "euphoria" which greeted the return to Rhodesia of Mr Mugabe and Mr Nkomo was "disappearing into thin air".

He had returned from an election tour of the Midlands.

US envoy meets Palestinians

Jerusalem, Feb 19—Mr

Donald McHenry, the United States representative at the United Nations, had lunch today with three Palestinian leaders from the occupied West Bank of Jordan.

Mr McHenry, who is on a Middle East fact-finding tour, met in east Jerusalem Mr Elias Fayed, mayor of Bethlehem, Mr Anwar Nusseiba, a former Jordanian Defence Minister, and Mr Hikmat Al-Masri, a notable from the West Bank town of Nablus.

Mr Nusseiba refused several requests to meet with Mr Sol Linowitz, special United States delegate to the Palestinian autonomy talks he told reporters: "Ambassador McHenry represents his country before the United Nations which is an international body while Ambassador Linowitz came here for a specific purpose within a specific framework which I do not accept."

Palestinian leaders have rejected the Camp David accord signed by Egypt and Israel and the United States grant autonomy for the Palestinians in occupied Arab territories.

Mr Al-Masri said: "We are not optimistic about the United States position, because the United States is against the unification of Jerusalem and settlements (on occupied Arab land)."

Petition fails: The Israeli Supreme Court rejected today a petition by Arab West Bank residents for an injunction to halt the expansion of a Jewish settlement in the occupied area. Twenty-four Arab residents of Hebron had asked the court to stop the reconstruction work at the Jewish suburb of Kiryat Arba.

The court ruled that the petitioners had not proved ownership of the land, which the Israeli Government says is state-owned. The court, however, gave them five days to submit their case to the military appeals court for further action. Reuter.

Demand for release of Corsicans

From Our Own Correspondent
Paris, Feb 19

The families of 36 people held since the violent disturbances in Corsica last month have been mounting a strong campaign for their release. Today, a delegation of 20 women, wives or other relatives of the prisoners, called on the Prefect of southern Corsica to ask his help in obtaining their rapid release from prison in Paris.

The arrests followed the strong police action in Ajaccio and Bastia after militant autonomists took over the island, and captured an hotel. The 36 arrested there were in addition to 55 other Corsican nationalists already serving sentences.

Pressure for the release of all these prisoners has not resulted in the takeover of five village council offices on the island, and none of the mayors involved have asked for any police help to evict the occupiers.

Seven mayors from villages which are the homes of some of the prisoners went to see the Prefect of upper Corsica last week to tell him of the "anxiety of the people" in the face of the detention of so many breadwinners.

M. Jean Claude Thie, the examining magistrate investigating the January violence, has so far ordered the release of 20 prisoners.

Jail terms increased on appeal

From Our Own Correspondent
Paris, Feb 19

Paul Petrides, a former Cypriot tailor who became a leading authority on the French painter Utrillo and proprietor of an art gallery in Paris, had a sentence for theft and receiving lengthened by the court of appeal here yesterday.

Mr Petrides, who is 79, was sentenced to three years' jail and fined 30,000 francs (£3,300) by the lower court last April. Now he has to serve four years and pay 50,000 francs in fines.

Marc Francoules, the middle man between two brothers who originally stole the 31 paintings involved from a collector in 1972 and passed them on to a painter, Claude Fenech, had also appealed against sentences of three years and a 5,000 franc fine. He was given the same jail term but had his fine increased to 15,000 francs.

The two brothers, Patrick and Jean Pierre Willaoud, who had been discharged by the lower court, were both found guilty by the appeal court and warrants were issued for their arrest to serve five-year sentences and pay fines of 5,000 francs each.

M. Fenech, who took the paintings to Mr Petrides had also his sentence increased from two years to three and his fine from 5,000 to 10,000 francs.

The black squares represent the Patriotic Front assembly areas in Southern Rhodesia where a total of 480 Commonwealth troops are stationed. The crosses are airstrips.

Britain plans a phased withdrawal

By Henry Stanhope
Defence Correspondent

The Ministry of Defence has drawn up plans for a phased, eight-day withdrawal of British and Commonwealth troops from Southern Rhodesia after this month's election. Soldiers in the bush will be rescued more quickly, however, if trouble breaks out.

The operation is expected to start after voting has ended on February 23, three days before the results of the election are due to be announced.

During the initial three-day phase most of the 1,400-strong Commonwealth monitoring group will be withdrawn to

Salisbury airfield where a tented transit camp is already being prepared. Priority will be given to bringing back by helicopter or by road, the 480 troops who are living next to the Patriotic Front area in the town's 14 assembly areas; most of them deep in the bush near the Rhodesian frontiers.

Then the troops and essential stores will be taken by air back to Britain, while other equipment will return more slowly by rail and sea.

Because of the use of surface transport, the airlift will be less intense than that which flew the monitoring group to Rhodesia at the start of the ceasefire.

Present plans include 24 sorties by Hercules transport aircraft, 13 by VC10s and only two by American Galaxies, which again will have to be hired to carry the RAF's Puma helicopters. Three VC10s will be ready on the airfield when the first troops arrive in Salisbury before returning to Britain.

A small party will remain behind for a time, however, including a Major-General John Achard, who has commanded the Commonwealth monitoring group, some of his senior officers and other key personnel like communications specialists.

Thatcher plea to athletes

By George Clark
Political Correspondent

In a letter to Sir Denis Flaherty, chairman of the British Olympic Association, released last night, Mrs Thatcher, the Prime Minister, said that if British athletes took part in the Moscow Olympics this summer they would seem to be condoning an international crime committed by the Soviet Union by its invasion of Afghanistan.

"We therefore ask," she wrote, "that the British Olympic Association should accept the advice of the Government in this matter, and reflect it in your response to the invitation of the Moscow Organizing Committee to take part."

Mrs Thatcher said she fully understood the difficulties faced by the International Olympic Committee and by the B.O.A. in considering the moving of the games from Moscow to some other venue or venues. Nevertheless, the Government had decided that its advice to British athletes must be not to go to Moscow.

Mrs Thatcher added: "We fully recognize the practical and constitutional difficulties involved in making changes to the present arrangements. We are deeply conscious of the disappointment which will be felt by British sportsmen and women."

"But the British Olympic Association, and the athletes whom you represent, must be aware that the decision to hold the 1980 Olympic Games in Moscow is already being presented by the Soviet Government as a general acknowledgement of the historical importance and correct foreign policy of the USSR and of the huge services of the Soviet Union to peace."

This, she said, was a foretaste of the way the Kremlin hoped to exploit the propaganda value of the games.

But the British Olympic Association, and the athletes whom you represent, must be aware that the decision to hold the 1980 Olympic Games in Moscow is already being presented by the Soviet Government as a general acknowledgement of the historical importance and correct foreign policy of the USSR and of the huge services of the Soviet Union to peace."

But if recovery is to be complete, he said, the cost of the Welfare State and the power of the unions must be reduced.

However accurate his words may or may not be, M. Dabernat's views are very much those that persist within both the French Government and population as a whole.

Chemist believes tests on Shroud shift burden of proof to sceptics

Continued from page 1

on the cloth. The marks are of two basic kinds: ruddy-coloured areas traditionally described as blood stains, and shaded areas, resembling the pattern of the head and body of a man.

Research points to the presence in the cloth of the substance saponaria officinalis, used in ancient times to treat linen to soften it and also to mould and bacterize. The "blood stains" are not the colour of very old dried blood, but tests have shown that a colour closer to the Shroud's "blood stains" can be achieved in laboratory conditions if blood is exposed to saponaria officinalis before it ages.

Additional tests on the "blood stains" show that whatever caused them appear to have been a viscous fluid, present as minute globules of organic matter. These stains have penetrated to the back of the cloth, which cannot normally be seen because of a sheet of backing material fixed to the Shroud in the sixteenth century.

Dr Dinegar says no test has yet proved that the globules are real bloodstains. "This is not to say that all tests have always failed," he says. "The positive results are as yet not sufficient to confirm the presence of haematinic material."

These marks are quite different from the "image" of a head and body, which has also been studied by the latest scientific techniques. The tests appear to discredit various obvious explanations of these marks.

No evidence has been found of any print or similar matter on the parts of the cloth bearing the image. The image is not fluorescent, and fibres bearing it are discoloured only several micrometres deep, on the top surface of each fibre.

There is no mark of this kind on the side of an individual fibre or on the back, indicating that the cause was not likely to be the application of liquid or vapour.

Dr Dinegar states: "While we search for additional hypotheses and information, we seem to have left with the tenuous suggestion that the cloth may have been discoloured in the manner we observe by a rapid deposition of energy in the fibres. At the increased temperature brought about by the energy transfer, chemical reactions could produce different substances that would make an area appear dark."

He likens this to the darkening of sugar, and says one line of research is that the darkening is caused by the caramelization of a glycoside from saponaria officinalis.

Linen impregnated with this and exposed to radiant energy, in the form of heat or laser bursts, undergoes a darkening of the surface, it has been found.

Restoring Uganda's ravaged wildlife

By Tony Samstag

Among the lesser known casualties of Uganda's recent upheavals has been its once abundant wildlife.

In a newly published report, Earthscan, an environmental information agency supported by the United Nations Environment Programme, describes some of the efforts of President Godfrey Binaisa's government to repair these particular ravages.

Projects include the establishment of a ranger training centre at Mweya and a survey of wildlife to be sponsored by the New York Zoological Society.

During President Idi Amin's eight-year rule discipline in the national parks was non-existent and, according to the report, "Amin's army, desperate for foreign currency to buy weapons, carried out systematic trophy poaching". In the Kabalega Falls national park alone, the poachers are thought to have killed 12,000 elephants in three years, about one-third of the population estimated at 14,000.

In April last year, while the Amin troops were devastating Kabalega, Tanzanian soldiers were entering Rwenzi Park, where, in collaboration with Ugandan civilians, they are thought to have slaughtered almost a third of the 46,000 large mammals.

With ammunition almost unlimited, sport also took its toll. Although thousands of hippo, antelope and buffalo were killed, with perhaps 50 lion as well, before Dr Julius Nyerere, the Tanzanian President, announced severe punishments for any soldiers who shot animals.

Mr Nyerere's Uganda Wildlife War departs Uganda wildlife (Karl Voss, Oxford, Earthscan, 10, Percy Street, London, W1).

Fears of Iran hold-up in release of hostages

From Michael Leapman
New York, Feb 19

There were fears here today that snags in Tehran may impede the release of the carefully choreographed diplomatic minut which is supposed to lead to the early release of the American hostages.

The fears were fanned by the continued failure of the Iranian and American negotiators to reach agreement to the appointment of a United Nations commission to investigate Iran's grievances against the former Shah.

Dr Kurt Waldheim, the United Nations Secretary-General, had confidently expected such confirmation by telegram this morning. He had planned to announce immediately afterwards the appointment of the five-man commission, the members of which have been named already.

Reports from Tehran say that the students holding the hostages in the United States Embassy are still opposed to linking the appointment to the release of their prisoners. The President's withholding of formal approval is a sign that he does not think he can force them to hand over the Americans against their wishes, despite his appointment today as Commander-in-Chief of the Army.

A United Nations spokesman said today: "Obviously President Bani-Sadr was trying to consolidate his authority in a number of fields." He added that Dr Waldheim had not been in contact with the President since he gave his verbal approval to the commission yesterday.

Mr Cyrus Vance, the American Secretary of State, spent six and a half hours yesterday talking to Dr Waldheim and to the two members of the commission who were in New York. One report said it was agreed that, unless the hostages were released by Wednesday of next week, the commission would stop its investigations.

Nobody would confirm the accuracy of this report yesterday, but such a stipulation would clearly be a face-saving formula for the Americans, who insisted originally that the hostages must be released as soon as the commission begins its work.

The result of the latest developments is to dampen the optimism expressed in Washington last week about the hostages' imminent release.

It is clear, much as President Bani-Sadr would like the issue settled, he still does not enjoy full control in Tehran.

In anticipation of eventual agreement by the Iranians, the five commission members were travelling to Geneva today, and will all be there by tomorrow morning. They will be ready to proceed to Tehran as soon as they are given the go-ahead by Dr Waldheim.

Support team: The five members of the commission are expected to fly from Geneva to Tehran tomorrow in a chartered Swiss jet, escorted by United Nations markings (Our Geneva Correspondent writes).

They will be accompanied by a small United Nations support team, headed by Señor Diego Cordovez, a Colombian Under-Secretary-General.

The French member of the commission, M. Louis-Edmond Pettiti, is coming from Paris tomorrow morning, accompanied by Señor Andrés Muhammad Badjov of Algeria who arrived in the French capital today by a Concorde flight from New York.

Waiting for them in Geneva will be Mr Hector Jayawardene, Sri Lanka, and Mr Adib named by Dr Waldheim after preliminary consultations with the American and Iranian Governments.

In the course of the day, Dr Waldheim contacted each member of the commission by telephone to discuss their assignment. United Nations officials are unable to say how long the commission is expected to remain in Tehran.

British pressure: Britain was the bring of resuming the supply of spare parts and ammunition to Iran before the American hostages were seized last year, it was learned yesterday (Henry Stanhope writes).

Now it has made clear to the Iranians that it cannot sign any new agreement until the hostages have been released.

OVERSEAS

Russia sharpens its warnings to Norway over Nato exercise and creation of an 'arc of crisis'

From Michael Binyon

In their bluntest warning yet to Norway the Russians today accused the Oslo Government of deliberately trying to worsen Soviet-Norwegian relations and of helping the Americans create an arc of crisis on the Soviet frontier in the north to complement that in the south.

An article in *Pravda* signed, with a pseudonym used to express the views of the Soviet leadership, said Norway was joining in Washington's anti-Soviet course "without giving thought to the possible implications of this step."

Following the increasingly sharply-worded daily attacks on Norway in the Soviet Press over the forthcoming Nato exercises there next month, the party newspaper accused the Norwegian Government of deliberately allowing itself to be drawn into "unfriendly acts" against the Soviet Union.

The paper said this was no coincidence since Norway supported the Nato decision to deploy new nuclear missiles in Western Europe, which it said were intended to achieve military superiority over the Soviet Union. Norway also supported the campaign to disrupt the Moscow Olympics and had cancelled planned meetings and contacts with the Soviet Union.

"The ruling circles of Norway are actually serving as accessories to the adventurist line pursued by the Carter Administration aimed at destroying international détente and unleashing a cold war."

The Russians are particularly worried about the present discussions between Norway and the United States on the stationing in Norway of enough American weapons and vehicles

to equip a brigade of 8,000 American soldiers.

Pravda repeated charges the Russians have made recently that military bases were being set up on Norwegian soil which would remain after the Nato exercise "Anorak Express" was over.

"Norway's transformation into an arsenal of foreign offensive weapons openly aimed at the Soviet Union cannot be described otherwise than as a departure of the Government from the principles of its own declared policy of not stationing foreign troops and nuclear weapons on Norwegian soil in times of peace—despite the assurances about a consistent observance of these principles repeatedly given by Norway."

An offer to negotiate all questions of disarmament in Europe was made last night by Mr Andrei Gromyko, the Soviet Foreign Minister.

Speaking at an election meeting, he said the Russians were ready to go to the negotiating table if Nato repeated its decision to deploy new medium-range nuclear missiles in Europe, or if its implementation was officially halted.

The offer, similar to that made by the Warsaw Pact foreign ministers in Warsaw last December, is marginally more flexible than Mr Gromyko's own earlier pronouncements. These insisted that Nato had removed the basis for any further talks by going ahead with its decision to deploy the weapons.

Mr Gromyko also called for a conference on military disarmament in Europe, and said the Soviet Union would contribute to a successful meeting in Madrid of the countries that signed the Helsinki accords.

But Mr Gromyko's conciliatory language towards Europe was not matched by his remarks on the tension with the United States, which he blamed solely on the Americans. He said the Russians would not allow the Americans to obtain military superiority, and would draw the "appropriate conclusions" from Washington's tendency to play the China card.

Promising that the Russians would continue the search for agreement at the Vienna talks on troop reduction in Central Europe, Mr Gromyko said there was no road or path in the Soviet Union's bilateral relations with other states that should "become overgrown for lack of use."

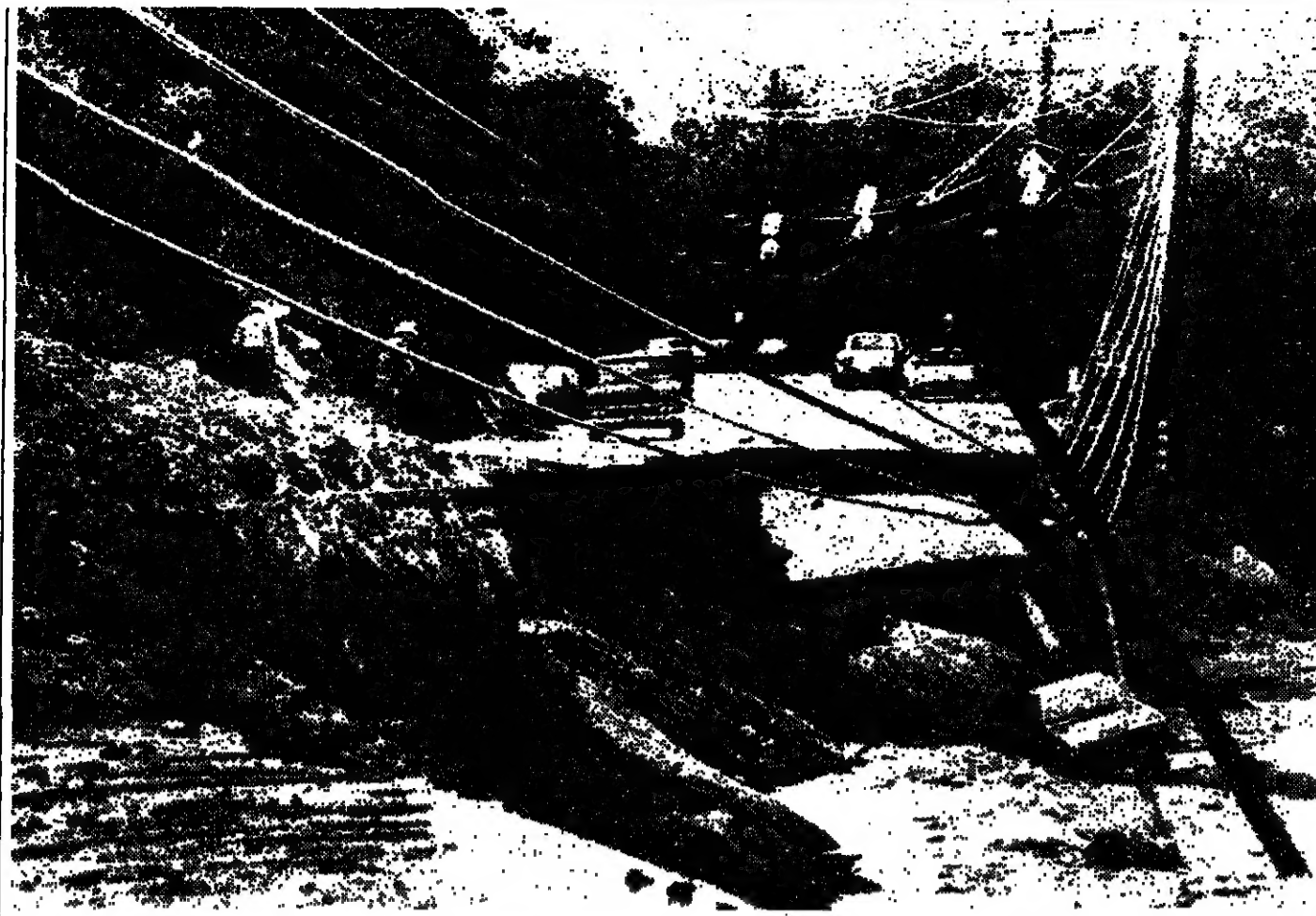
"There is no outstanding issue of inter-state relations, no major international problems on which we would not be prepared for honest talks, for talks between equals," he said.

But the Soviet Minister gave no indication whether this would include Afghanistan or when Soviet troops would be withdrawn from that country.

Norway replied: Norway today rejected Soviet charges that it was departing from its policy of not accepting foreign troops and nuclear weapons on its territory in peacetime.

Mr Thorvald Stoltenberg, the Norwegian Defence Minister, said the question of storing military equipment had been a subject of consultation for two years and was nothing new. The storing of tactical nuclear weapons had not been raised in the consultations, he said.

He added that Nato exercises of the "Anorak Express" type had taken place regularly over a number of years and that the Soviet Union, as usual, had been notified in the normal way.—*Reuters*.



A section of the road through Topanga Canyon in southern California after it was washed away during six days of torrential rain in which 12 people were killed.

Zia plan to bring in civilians

From Hassan Akhtar

Islamabad, Feb 19

President Zia ul-Haq, of Pakistan, is expected to reveal his political plan for the country at the end of the month at a convention of leading figures from different walks of life.

He told reporters at Lahore airport today that the proposed national convention would be convened in the next 10 days. He did not elaborate on its objectives, but indicated that the Government would invite people regarded as leaders in different spheres of life. They would include public men, lawyers, businessmen and journalists among others.

According to reports, the convention might pave the way for setting up cabinets and advisory councils at federal and provincial levels to help the martial law regime to broaden its base and associate civilians with government.

It is, however, likely that the proposed arrangement will function under martial law and though the proposed cabinets and advisory councils are intended to act as substitute for elected governments and assemblies, they would have purely consultative status.

General Zia apparently does not contemplate a return to representative government through general elections for a long time to come.

General Zia parried question on a possible dialogue with the Soviet Union on Afghanistan and said it was a sensitive issue on which he would not say anything prematurely. He was asked by reporters whether Pakistan proposed to open talks with the Soviet Union on a basis of equality of sovereignty.

Lieutenant-General Fais Ali Chaudhry, a minister in President Zia's Cabinet, left suddenly for an unnamed Arab state on an undisclosed important mission for the President, the press reported today.

Official sources refused to say anything on the subject.

Anger over Indian dissolutions

From Richard Wigg

Delhi, Feb 19

The bold decision of Mrs Indira Gandhi, the Indian Prime Minister, to dissolve the legislative assemblies and call for fresh elections in nine states under non-Congress governments came under fire today from *The Times of India*, which has resolutely supported her since she launched her election campaign on December 1.

In a leading article it complained that the move not only "adversely affects" India's federal constitution but that the Prime Minister had espoused the "dubious concept of recall of governments no longer enjoying popular support propounded by the late Jyotiraj Narayan, which she had 'rightly and stoutly' opposed in 1974 and 1975."

It was no good for Mrs Gandhi to argue that the Janata Government after its victory in the 1977 general election did not last in nine states then ruled by Congress, Janata, the article said, did not possess the necessary experience to realise "what a dangerous precedent they were setting."

Referring to the Supreme Court verdict which Janata subsequently obtained, and which Mrs Gandhi's aides are now rising, the newspaper notes that two of the judges made observations endorsing her concept of recall "which they may now be regretting."

"To legitimise the concept of recall is to sow the seeds of trouble in the future", *The Times of India* warns. Mrs Gandhi is quoted earlier examples in her political career where she seemed to have understood that national and state elections can produce different results in a country as diverse as India and with the typical expectations of a developing nation.

India must learn to work "a variegated policy in which different parties with different programmes are in power in different parts of the country", it said.

It is becoming clear that Sunday night's election decision was taken with post preparation of the groundwork by Mrs Gandhi's Home and Law Ministers.

No one in the Government has been able to give dates for the state elections. Which since this country has been in a state of electioneering since last August, obviously needs to be concluded as soon as possible.

But the Chief Election Commissioner has already started the process of bringing the electoral registers up to date and he is not willing, apparently, to go back on this process to oblige the Government. It is unlikely to be completed before late April.

Mr Morarji Desai, the former Janata Prime Minister, who when in office was careful

to avoid direct personal criticism of Mrs Gandhi, has now joined in the chorus of disapproval.

Dissolution, he said in Ahmedabad, was undemocratic but all the steps so far taken by the Prime Minister, including various staff appointments in Uttar Pradesh and in Delhi indicated that Mrs Gandhi was "heading towards authoritarian rule."

Mrs Gandhi was today cautioned by Mr E. M. S. Namboodiripad, the veteran secretary general of the Marxist Communist Party, against turning to a presidential system of government in India. That might lead to a military take-over.

"If military rule is established even Mrs Gandhi and Mr Sanjay Gandhi (her son) would not be safe", he said pointing to the fate of Zulfikar Ali Bhutto, the late former Prime Minister of Pakistan.

Communist fears: West Bengal's Left Front Government led by the Marxist Communist Party fears that it will not long before Mrs Gandhi dismisses it (Our Calcutta Correspondent writes). Similar action is also feared in Kerala and Tripura, two other states where Marxist Communists are in power.

Protesters held: About 300 people have been arrested in Tamil Nadu for arson and violence in protest against the dismissal of the state Government, the Press Trust of India reported today.—*Reuters*.

Informer's deals set the FBI a problem

The Federal Bureau of Investigation is looking into whether a man it had employed as an informer used inside information about the United States Government's Abscam operation to work private gain for his own financial gain.

Several California businessmen have accused the informer, whom they identified as Joseph B. Meltzer, of swindling them out of at least \$150,000 (about £55,000) by portraying himself as the representative of a wealthy Arab Sheikh who was willing to lend them money. In reality, the Sheikh never existed.

He was investigated by the FBI for its undercover investigation into alleged political corruption that was given the code name "Abscam" for "Arab Scam".

Mr Meltzer was an informer in a case that led to the Abscam operation, and a friend of another informer, Mr Weinberg, who was involved in Abscam, according to law enforcement authorities.

Some of the businessmen who dealt with Mr Meltzer, said that he had portrayed himself as a top executive of Abdul Enterprises, the same company that, undercover federal agents in the Abscam operation said that they represented.

Moreover, in interviews in San Diego with *The New York Times*, the businessmen said they believed Mr Meltzer had actually been working with the cooperation of the bureau and had identified himself sometimes as an FBI informer at other times as an undercover agent.

Some also said that until recently they believed the bureau was assisting Mr Meltzer in bringing the Sheikh's enormous fortune into America for investment.

Asked for comment, Mr Homer A. Boynton, Executive Assistant Director of the FBI in Washington, said that at the time of Mr Meltzer's alleged West Coast activities, he had no association with the FBI.

When details of the federal investigation became public two weeks ago, some California businessmen said they were shocked to discover many similarities between that operation and Mr Meltzer's. They said they began to consider the possibility that Mr Meltzer, while working for the FBI, had embarked on a private Arab scam.

Furthermore, they said that they had informed the FBI earlier about what Mr Meltzer was doing, but that the bureau had not stopped him or warned them not to trust him.

Mr Meltzer, asked whether he had accepted money from businessmen to whom he had promised loans, said: "Maybe yes, maybe no." He conceded that in the past he was representing Abdul Enterprises but that he really couldn't tell you in what capacity.—*New York Times News Service*.

Australia to boost armed forces

Canberra, Feb 19.—Mr Malcolm Fraser, the Prime Minister, announced today that Australia's armed services will get more men and better equipment because of the Soviet Union's intervention in Afghanistan.

Mr Fraser told the Australian Parliament the build-up would cost at least an extra \$450m (£140m) in the year beginning July 1. Defence spending would increase to 3 per cent of gross national product by 1985. Australia's current defence budget of \$3,000m amounts to about 2.7 per cent of the gross national product.

In an hour-long speech Mr Fraser outlined a five-year programme to increase the permanent strength of the Army reserve from 22,000 to 30,000, to upgrade the Navy's fleet of ships and aircraft, to increase the Air Force and Navy patrolling of the Indian Ocean and waters near Australia, and to increase aid to South Pacific island nations.

Mr Fraser said the Soviet intervention in Afghanistan was the greatest international crisis since the Second World War. "The Government has decided that the new strategic prospects call for a greater allocation of resources to our defences," he said.

Mr Fraser said aid to South Pacific nations, including allowances for increased surveillance facilities, would go up by 40 per cent to \$420m a year. He also said possible Soviet moves to gain influence in the area. Australia has also offered the United States staging facilities at the Cockburn naval base, Western Australia, he added.

Australia wanted to increase its order for guided missile frigates from the United States from three to four at a total cost of about \$475m.

The Government would also announce later this year its choice for 75 tactical fighter aircraft to replace its Mirage fighters. —*Reuters*.

Brandt plea for communist help to Third World

Brussels, Feb 19.—Herr Willy Brandt, chairman of the International Development Commission, today urged communist states to play a greater role in helping the Third World.

The former West German Chancellor was answering questions on the second day of a European Parliament hearing on hunger after outlining his commission's report for the first time in Europe.

He said that as time passes, China, the Soviet Union and East Europe "must take a greater share of the responsibility. We must try wherever possible to make clear to the East that they have a responsibility, not just to export propaganda."

The commission, set up in 1977 at the recommendation of Mr Robert McNamara, President of the World Bank, has drafted a lengthy analysis and recommendations on development.

Among its proposals is a world conference to draft guidelines for cooperation between industrialized and developing countries and to work out details of an emergency development programme for 1980-85.

The commission also gives warning of the crippling cost of the arms race. "We are literally in danger of arming ourselves to death," Herr Brandt said today.

He was elected to the European Parliament last June and is one of several development experts addressing the hearing.—*Reuters*.

Large number of lakes in US polluted by industry

Washington, Feb. 19.—Two thirds of the lakes in the United States may be seriously polluted by toxic industrial wastes, a report by the Council on Environmental Quality said today.

It said there was increased evidence of ground water contamination often caused by the improper disposal of harmful wastes. About half of the population uses ground water for drinking.

"Wastes introduced into a lake can remain for years if not centuries," the council said. As many as one third of the nation's lakes may have serious pollution problems as a result.

"Urban lakes are particularly susceptible to man's influence. An estimated 80 per

cent of more than 3,700 urban lakes in the United States are significantly degraded. . . . It said toxic chemicals had made fish in some lakes and rivers, while four million acres of commercial shellfish waters in America had been closed by pollution.

Many lakes in the north-eastern United States and Canada could no longer support fish and other life because of increased rain acidity, resulting from the 50-fold increase in fossil fuel power plants in the last 25 years.

But the report found overall improvements in the quality of air between 1974 and 1977, the last year for which it had figures, mainly because of better exhaust filters on cars.—*Reuters*.

Two Koreas disagree on site for talks

From Jacqueline Reditt

Seoul, Feb 19

North and South Korea failed to agree on the main item under discussion when they met for two and a half hours at the truce village of Panmunjom today.

For the second time this month, three-man delegations from the two Koreas met for talks to arrange meetings between Mr Li Jong Ok, the North Korean Prime Minister, and Mr Shin Byon Hwak, his South Korean counterpart. The main purpose of today's talks was to decide a site for the meeting.

A letter sent by the Pyongyang Government on January 11 gave the South Koreans the choice of Seoul and Pyongyang, Panmunjom or a third country. The South Koreans opted for a third country, with a preference for Geneva. But in today's talks the North Koreans appeared to have forgotten their earlier offer, and insisted that the meetings should be held alternately in Seoul and Pyongyang.

The South Korean delegation argued that at least the first meeting between the two Prime Ministers should be on neutral

ground. The South Koreans have already expressed a fear that the North will try to send a large delegation with their Prime Minister to turn the meeting into a propaganda session as, they say, has happened before.

Mr Lee Dong Bok, a spokesman for the South Korean delegation, told journalists that their earlier offer, and sending rather than a business meeting. Although the two sides had disagreed on the venue, the atmosphere had been amicable, some minor procedural items had been agreed and the two sides had decided to hold a further session on March 4.

World use of energy 'grossly unbalanced'

The fourth in a series of articles on the report of the Brandt Commission.

By Roger Berthoud

From the tone of their chapter on energy, and from other indications, it can be deduced that Herr Brandt and the industrialized nations from the industrialized north and the developing countries of the south who formed his commission had some difficulty in reconciling their views on this topic.

The economics of oil, they point out in their report, have been controversial since the first commercial strike of oil in Pennsylvania in 1857. But it is now widely accepted that during the 1960s, when industrialized countries and a few developing ones were rapidly expanding their use of cheap oil, its price failed to reflect the depletion of resources. Oil was 25 per cent cheaper in 1970 in relation to the price of other goods than in 1955.

A higher price was essential to restrain consumption and to help finance the consideration of long-term needs and the development of alternative fuels.

The use of energy in the world remains grossly un-

balanced, the Brandt Commission's report states. One American uses as much commercial energy as two Germans or Australians, three Swiss or Japanese, nine Mexicans, 19 Malaysians, 16 Indonesians, 109 Sri Lankans, 438 Malians, or 1,072 Nepalese.

All the fuel used by the Third World for all purposes is only slightly more than the amount of petrol used by the industrialized world to move its cars.

Developing countries which import oil derive about two thirds of their commercial energy from it, higher proportion than the Organization for Economic Cooperation and Development countries (a half) or Eastern Europe (a third).

While the North's consumption of commercial energy doubled between 1960 and 1976, that of developing countries tripled, but it was still only one fifteenth of consumption in the Western world.

About a quarter of the world's commercial energy today is oil produced by the members of the Organization of Petroleum Exporting Countries. The producers believe that future generations will hold them to blame

if they fail to manage this precious resource.

For oil exporters with a capital surplus, there is also the problem of what they receive in return. Both the health of the dollar and the long-term value of assets acquired are critical factors, to be weighed against the arguments for keeping a depletable and increasingly valuable resource underground.

Even if much new oil is discovered, the transfer to other energy sources will have to take place uncomfortably soon, the report says. Ultimately, the human community must rely on inexhaustible sources: solar energy in the broadest sense, and new forms of nuclear energy, supplementing hydroelectric and geothermal sources.

The nuclear option must be evaluated rationally and soberly. Research on a large scale is needed to develop low-cost solar energy technology, which at some point could make many developing countries relatively well off in energy terms.

The need for an international accommodation to avert such dangers as supply disruptions and price surges has been recognized since the crisis of 1973. But Opec sees oil as only part of the broader prob-

lem of a restructuring of the world economy, to include fairer terms for other commodities and a fairer distribution of the world's resources.

The Brandt Commission suggests that any arrangement between oil producers and consumers should include all countries, not least the Soviet Union, which produces more oil than any other country and is the second largest exporter after Saudi Arabia.

The report advocates the establishment of a global energy research centre under United Nations auspices, to concentrate on renewable sources of energy. It believes there should be contingency plans to protect the most vulnerable developing countries in the event of acute scarcity.

It proposes an emergency programme to get agreement on more secure supplies, more rigorous conservation, more predictable price-changes and more effective steps to develop alternative sources.

Finally, it unequivocally rejects the use of force by powerful countries to secure oil supplies. Any such intervention would put world peace in jeopardy, Herr Brandt and his colleagues say.

Campaign to ban atom links with S Africa

By Pearce Wright

Science Editor

A new campaign to ban all collaboration with South Africa in the field of nuclear power is being launched today with the publication of a pamphlet entitled *South Africa's Nuclear Capability*.

The document catalogues Pretoria's resources in the atomic energy field including uranium mines, research reactors, uranium enrichment plants and plans for a nuclear power station at Koeberg, near Cape Town.

Mr Abdul S. Minty, director of the World Campaign Against Military and Nuclear Collaboration with South Africa, says that although the country's nuclear capacity is far advanced, it is still at the initial stage of its atomic weapons programme.

Thailand urges Americans to give aid in good time

From Nell Kelly

Bangkok, Feb 19

General Kriangsak Chavanon, Thai Prime Minister, has urged the United States to give assistance to Thailand now and not to wait until it is too late, as happened in the case of Vietnam.

His remarks coincided with a statement by the American Defence Department that Washington was not engaged in "any new or increased deployment of military personnel in Thailand."

Commenting on reports that 852 bombers were being sent to Thailand, the Defence Department spokesman told a Bangkok newspaper: "With respect to the deployment of 852s, it is not our practice to discuss contingency planning."

General Kriangsak's remarks were made to Mrs Clare Booth Luce, the American writer and former Ambassador, now visiting Bangkok. "If the United States starts giving assistance to Thailand now it will not have to spend considerable amounts of money later as it had to do in Vietnam," the general said.

Unofficial reports indicate that American and Thai officials are discussing the reopening of former American bases in the country and the occasional deployment of American bombers and ships.

The number of American personnel in Thailand recently increased from less than 50 to 126. Most of them are engaged in training and weapon maintenance. Last year, Thailand purchased

Sanjay Gandhi challenges court order

Delhi, Feb 19.—Delhi High

Court today admitted petitions by Mr Sanjay Gandhi, younger son of Mrs Indira Gandhi, the Prime Minister, and two others challenging orders that they be put on trial for alleged offences during his mother's emergency rule.

The three, who include Delhi's new Lieutenant Governor, are accused of conspiring in the illegal demolition of shops and houses. Mr K. P. Verma, the chief metropolitan magistrate, earlier this month overruled a plea by Mr Gandhi's lawyers that the charges be dropped because they were filed more than three years after the incident.

But lawyers today asked that the plea be put for consideration in the filing of the charges be dismissed as it was based on "vague allegations". —*Reuters*.

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CRIMINAL LAW—NOT ENFORCED CIVIL LAW—NOT REFORMED

Mr Prior's working paper on secondary industrial action happens to come at a time when the reform of the civil law seems less important than the enforcement of the criminal law; in fact the two are linked. What happened last Thursday at Hatfield, as the Prime Minister rightly observed, plainly went beyond the bounds of peaceful picketing and entered the realm of direct intimidation. Intimidation and conspiracy to intimidate are criminal acts. In the case of Hatfield the intimidation achieved its objective and work at Hatfield has stopped. Similar intimidation has occurred in other places and is threatened at Sheerness.

The police reaction has been inadequate. In respect of lawful actions during industrial disputes the police quite rightly take the view that they should remain impartial. That is their job, and it is not in anybody's interest that they should lose their reputation for impartiality between management and trade unions. That does not, however, remove their responsibility to enforce the criminal law. A citizen going about his ordinary business is as much entitled to be protected from intimidation by mass pickets as he is to be protected from intimidation by any other crowd of people.

Protecting the public

What is more, the organization of mass pickets, and particularly of flying pickets clearly intended to intimidate, is itself an unlawful act. In his role as a master of mass pickets, moving or threatening to move his members to impose his will on the public in different parts of the country, Mr Scargill is well outside the law. If he, or any other trade union leader, organizers or supporters action calculated to threaten other people, he lays himself open to prosecution. This is not a law about trade unions; it is a general protection of the public to which trade unions are as much subject as anyone else.

By the side of these actions, which have come so near to mass violence, and are so far removed from lawful, peaceful persuasion and reason, the reform of the civil law may seem less important. Yet it was the removal of all protection under civil law which helped to create among some trade unionists the false belief that any trade union action had a total immunity, civil, criminal or whatever. What is required is the creation of a civil law which is in reasonable balance, as well as the enforcement of the criminal law against the use of fear as a weapon. We do not want a law which would leave trade unions at the mercy of employers. That would be wrong and unjust. We do want to bring to an end the situation in which employers and the state itself are at the mercy of trade unions, because that is both unjust and immensely damaging to the national interest.

The question to be asked about the amendments Mr Prior is now

putting forward for discussion is whether they go far enough to redress the balance. Despite the complaints of the trade unions there is really no question at all that they go too far. Compared with the immense changes made in favour of trade unions by Mr Michael Foot they represent only a very small redressing of the balance.

Much of what Mr Prior proposes goes no further than setting right matters which the House of Lords has very recently set wrong. Indeed, his first two qualifications for immunity both correct those parts of House of Lords' judgments which could properly be described as having made new law and had new law at that. He will restore the law to an objective test rather than a subjective test of whether a strike is in furtherance of a trade dispute. His proposal is that it should be required to be "reasonably capable of furthering the dispute". The House of Lords were under no obligation to adopt the purely subjective test and Lord Wilberforce rightly protested at their doing so. There Lord Diplock and the majority were making new law as freely as Lord Denning has ever done, with this difference that they made their new law against equity and against liberty.

Mr Prior is also making the immunity dependent on the action being taken predominantly in pursuit of the trade dispute concerned and not principally for some "extraneous motive". This again merely restores the position, which had previously been held to be the case, that a political strike does not enjoy immunity; the immunities were granted for the purpose of trade disputes and not for the purpose of political disputes. The House of Lords had left this part of the law unclear, after dismissing Lord Denning's doctrine of the two disputes in the steel case—one a trade dispute, the other political.

The question of immunity

One half of Mr Prior's proposals deal only with matters which arose for the first time in the House of Lords. These are not even matters on which the House of Lords overruled a novel judgment of Lord Denning, as was the case in the doctrine of remoteness. The House of Lords was setting aside the general trend of past judicial interpretation, including their own. It is desirable that the House of Lords should be put right but it makes no great difference to the balance of trade union power. So far as these amendments are concerned Mr Prior's proposals leave us no better and no worse off than we appeared to be when the government came to office.

The other major proposal is to limit the immunity of inducing breaches in commercial contracts to the main dispute or contracts involving what are called first suppliers or customers. This limitation of immunity will apply only to breaches of commercial contracts. Inducements to break contracts of employment will

continue to enjoy their full immunity, provided only that they are in furtherance of a trade dispute. They can go as wide or as far as the union has reason to consider advantageous.

In terms of the balance of power this again must be regarded as a relatively minor matter. In the first place the limitation only applies if the dispute is taken beyond the point of first suppliers or customers. Mr Prior is therefore talking about primary and secondary disputes being covered by immunity, and only tertiary disputes having their immunity reduced. Secondly, the reduction in immunity only affects commercial breaches. Until 1972 the immunities under the Trade Disputes Act of 1906 were confined to contracts of employment and it was only in 1976 that the scope of the immunity was extended to include breaches of all contracts.

Creating a fair balance

We have therefore a proposal by Mr Prior to leave the trade unions with wider immunities than they had in the period of 1906-1972 in respect of commercial contracts, and with immunities as wide as they ever had (until the most recent House of Lords judgments appeared to extend them) in respect of employment contracts. These provisions would have made no difference to the situation in the steel industry, though the picketing provisions already proposed in Mr Prior's bill might have been helpful. It is not surprising that the independent steel companies describe them as "utterly useless".

The failure is broad and deep. Since the Donovan Commission was set up by Mr Harold Wilson in 1965, "relations between management and employees and the role of trade unions and employers' associations in promoting the interests of other members and in accelerating the social and economic advance of the nation, with particular reference to the law affecting the activities of these bodies", it has been notorious that Britain needed an equitable trade union law; that would be one that would secure a fair balance in the bargaining between employer and trade unions, and would provide an orderly and democratic structure for the protection of members of trade unions.

The Conservative Party failed in opposition after 1974 to devise any coherent system of reform. Mr Prior's original proposals for legislation did not constitute such a system of reform and his bill will hardly be brought any nearer to it by the latest amendments. No doubt his proposals should be as far as they go because they undo some serious and gratuitous damage that was done in the House of Lords, but that was very recent damage and the amendments fail to address themselves to the central issue of the balance of power. Bad laws have given great power to bad trade union practices; minor changes will not help to protect Britain from them.

Setting an example of violence

From the Chief Constable of Manchester

Sir, Is it any wonder there is violence in the streets and on picket lines? Is it any wonder young people resort to gratuitous, sadistic violence when it is practiced deliberately in the name of sport?

What happened on more than one occasion in a very recent Rugby International (report, February 18) was positively disgraceful. Judged by the television recording of that match some players must now be surprised they are not facing charges of criminal assault.

It is high time the powers in the game clamped down and sorted out the trouble makers. Responsibility for this cannot be avoided by calling Rugby "a man's game". That was a view once taken of war. JAMES ANDERTON, Chief Constable, Chief Constable's Office, PO Box 22 (S. West PDO), Chester House, Boyer Street, Manchester, February 18.

Interpretation problems

From Mr Geoffrey Sampson

Sir, The remark of the French Minister for Agriculture, that France is "in favour of a common agricultural policy, not of a free trade area" (reported in *The Times* of February 15), makes it clearer than ever before that British problems with the EEC represent differences of opinion about the fundamental purpose of the Community.

The Treaty of Rome created the EEC precisely to be a free trade area. Articles 38-46 of the Treaty permitted agricultural price-support strictly as a transitional device to cushion the social problems of rationalizing inefficient French and German agriculture. More than 20 years later, the "transitional period" shows no sign of ending, and France wants to extend the CAP further.

Perhaps the French never took the ideals of the Treaty very seriously, and since they were founder members and we are new boys, perhaps we should charge them with their own version of the EEC will prevail. But then it is surely absurd for us to continue in membership of an institution which believes in free trade for industry, where we are weak, but in mercantilism for one of the few areas where we are competitive?

Yours faithfully,
GEOFFREY SAMPSON,
Richmond House,
Ingleton,
Yorkshire,
February 17.

A word for the Vikings

From Professor W. S. Allen, FBA

Sir, On the question of the Viking name, both Mr Frenchman and your correspondents of February 16 have some right on their side. As well as the Old Norse *viking* "viking" there is also the word *viking* "raid" or "expedition" (perhaps connected with the Latin *vincere* "conquer"); and the former is more likely to have been originally derived from the latter than vice versa.

However, popular etymology may well from early times have suggested a connection with *vika* "bay" (as in *Reykjavik* ("bay of fumes") a speaker today may address his audience as "*Reykjavikings* or *Reykjavikings*"), with no implication of a cod-war or similar activities.

Yours faithfully,
W. S. ALLEN,
Trinity College,
Cambridge,
February 16.

From Dr Peter Hunter Blair

Sir, Let us by all means recognize the great achievements of these Viking traders who were not raiders, but should it not also be said that not one of them was not a raider? In Lindisfarne, Jarrow, Wearmouth, Whitby, Iona and many another centre of monastic learning would have been able to read any of the books in the monastic libraries?

York, before the Viking attack, possessed one of the greatest libraries in western Europe, such that an eminent French scholar might write to the York library seeking the loan of books which were not to be found in his own country.

We cannot now identify a single book from that York library. The consequences of this Viking trading were disastrous for the intellectual life of much of England and it is surely no accident that when the new learning came it sprang from the north in York where the large number of monks who had been least affected by the Vikings, whether as raiders or traders.

Yours faithfully,
PETER HUNTER BLAIR,
Emmanuel College,
Cambridge,
February 15.

Support for the family

From Mr Tom Litterick

Sir, Miss M. T. Evans is mistaken when she refers to the large net increase in Exchequer support for the family... as a result of the introduction of child benefit (February 13).

In fact the value of child benefit was only marginally greater than the combined values of the Child Tax Allowances and Family Allowances which were phased out as child benefit was introduced, for families with more than one child. This value has since been significantly eroded and is now lower than it was in 1974. The only remaining beneficiaries of the introduction of child benefit are families with one child.

Sincerely,
TOM LITTERICK,
Management Centre,
University of Aston,
Gosta Green,
Birmingham,
February 13.

Plans for the welfare of the world

From Dame Judith Hart, MP for Larnak (Labour)

Sir, May I congratulate you on your sense of priorities in giving such full coverage and such perceptive leader comment to the Report of the Brandt Commission (February 13)?

Its theme of the mutuality of interest between North and South is not new, as you know. But it is one which has been steadily gathering support during the last five years. Its endorsement and the proposals for action by the Commission demand that responsible leaders in the North pause for a reflection which must transcend party politics.

I had at one point thought that the timing of the Commission's report would be unfortunate, coinciding as it does with the economic and political mood of introspection which flows from world depression, international crisis, and post and pre-election problems in the United States, Germany and Britain. But I believe now that it is perfectly timed, as a clear challenge to all governments in the North to think again about the global problems facing us, and to define with greater intelligence even when their own enlightened self interest in their relationships with the South.

What worries me, however, is the process within Whitehall which will be involved in what will no doubt be called "The Response to the Brandt Report". A Foreign and Commonwealth Office view (separate Overseas Development input); a Treasury view; a Trade view; an interdepartmental official committee; perhaps a Central Policy Review Board view. On the detail of the Commission's proposals there will be a need for detailed work. But we need above all a positive and early response to the general theme of the report.

It will demand political judgement and initiative. I hope that when we have the debate in the House of Commons for which we have called, there will be that positive response. Anything other would be an abdication of responsibility for British participation in finding global solutions to global crisis in which our own economy and our own society is at risk.

Yours faithfully,
JUDITH HART,
House of Commons,
February 18.

From Mr Ewart Parkinson

Sir, The Brandt Report tells the peoples of the world once more of the horrifying injustices that exist. That a search for a greater transfer of resources from North to South,

Deaths in police custody

From Mr Michael Meacher, MP for Oldham, West (Labour)

Sir, Professor Smythe (February 14) makes the obvious point that in comparing deaths in police custody with numbers of complaints against the police alleging assault, one needs to standardise the data according to the number of arrests.

Of course, and that is why I had already sought this information in a written Parliamentary Question to the Home Office on January 31. The point I was making is that whilst there are naturally more complaints and more deaths in custody in urban areas, there are disproportionately more of both, to a significant degree, even when the figures are adjusted according to a standardised number of arrests for each police area.

Thus whilst there were over the decade 2.7 deaths in custody nationally (excluding the Metropolitan area) per 10,000 arrests in 1974, in Merseyside it was 4.5 in West Yorkshire 5.2, in North Wales 6.8, in the Metropolitan area 8.3, and in the City of London 10.5.

Similarly, whilst there were 34 complaints nationally in 1978 per 10,000 arrests that year, there were 38 in Merseyside, 42 in the Metropolitan area, 51 in West Yorkshire, 59 in North Wales, and 72 in the City of London.

As for Professor Smythe's point that these are unsubstantiated complaints, I consider it is a whitewash the police should not blind him to the fact that the DPP's prosecution rate against the police of 1 per cent and the Police Complaints Board's failure to recommend disciplinary charges in any of the 2,330 complaints of assault referred to them in 1978 may say a great deal more about the present hopelessly futile complaints system than about the substance of the complaints themselves.

Dr Skidmore (February 15) challenges my, and the Police Federation's, support for detoxification centres on the grounds that

Religious light

From Dr J. Croney

Sir, The Vicar of St Andrew's, Darnley, (Law Report, published February 12) may be nearer to God than his consistory Chancellor in sending the Holy Spirit's emanation through electric candles. Long before man evolved, and made his first crude candles, the Holy Spirit, which is the only God to some of us, manifesting its awesome presence in the flicker of electric lights of lightning and the Aurora.

I have stood amazed at the antics of consistory courts and Chancellors since some 25 years ago, when an enterprising vicar installed an electronic "bell of bells" in his silenced steeple without obtaining a faculty, and was obliged to recant and remove them. However, as Gallies remarked, "*Eppur si muove*" (though not of the Church on that occasion) and 25 years on,

London's third airport

From Mr Charles Harman

Sir, The idea raised by Mr Michael Bruphy (February 13) that London's third airport should become the first European airport is certainly a very good one, even if the location proposed by Mr Bruphy is perhaps verging on the ridiculous.

With today's united Europe the Low Countries would provide a much better location than Stansted. Amsterdam would be a particularly good location, since it already claims the position of London's

for a new fight to break the bonds of mass misery is an act of enlightened self-interest. That economic growth in the North is both a prelude and a necessity.

I hope that political leaders will not underestimate the altruism of their peoples, especially the young. Fed on a diet of selfish consumer materialism, there is a growing conviction that there is more to life than this.

We need a practical call to action to help the poorest of the poor to help themselves, not at least we want to avoid revolutions, even if we do; not because we fear the threat of communism, even if we do; not because we think it will help the transnational corporations, even if it does; but simply because it is right.

I also hope that the significance of cities in the Third World is recognized. Whatever is done for rural development—and however much is done—will still be insufficient. The next two decades will witness a growth of urban populations on a scale which the world has never before seen.

The motives are many—cities are regarded as places of social and job opportunities. In Bangladesh urban income is twice that in the countryside. In India an urban child has seven times the chance of a university education. In Ethiopia a townswoman has a 30 times better prospect of medical attention as a villager. By AD 2000 the cities of the developing countries may have three times the total urban population of the developed world in 1950.

The search for urban jobs will become ever more insistent as job opportunities on the land cease to grow. Those jobs will not be derived from Western-type technologies nor by urban developments based on Western models. Nevertheless the experience of the West in managing urban change is, I believe, a skill that can usefully be transferred.

Finally, may I make the simple but fundamental point that if we have a care for the earth's resources, we need to recognise the relevance of differential growth rates for the developed and undeveloped worlds. To sustain a simple example: a 5 per cent growth of energy consumption in the United States implies an increase of 1,000,000 kgm of coal equivalent. In Bangladesh—slightly less than half the population—it means a growth of 1,000 kgm of coal equivalent.

Yours faithfully,
EWART PARKINSON,
Chairman,
International Affairs Board,
The Royal Town Planning Institute,
26 Portland Place, W1,
February 18.

some drunken persons still require custodial care. Agreed, but that is not an argument for saying that all drunken persons should be removed to police stations when clearly most need medical or social care. It is rather an argument for saying that detoxification centres should have some facilities for custodial care where necessary, and that I agree with.

Yours sincerely,
MICHAEL MEACHER,
House of Commons.

From Dr R. A. A. Lawrence

Sir, I hold no brief for or against the police on the question of deaths of persons in police custody. My experience as a police surgeon of a large police division can be only factual.

Mr James Jardine is quoted in *The Times* of February 12 as saying that all "police officers were not medically trained and... nobody expected that the police would be able to distinguish between drunkenness and some other illness".

In my experience for the past 28 years the officers in my division have always sought my professional advice in any case of either injury or suspected illness of persons in custody. On some occasions these have been cases of alleged suicide caused by police officers. In addition, persons arrested in relation to drinking and driving or being drunk and incapable are examined by me.

Like Mr Jardine I would regard it as "indefensibly impossible" for there to be a cover-up in this country for a policeman to kill someone while in custody in my division.

Yours sincerely,
R. A. A. LAWRENCE,
Police Surgeon to Derbyshire Constabulary,
27 Swanwick Road,
Leabrooks,
Derby,
February 13.

We actually have an electronic organ in Chester Cathedral.

And further help is at hand. I see from your edition of February 11 that the Bishop of Chichester, with 19 others, is to preside over a commission to regulate some of these arcane sophistries.

Sadly among its members' professions, which you name, I do not see either a scientist or an engineer—only lawyers, architects and liturgists. Nonetheless we must wish the commission well. It will have its work cut out to correct some entrenched platitudes.

Meanwhile the proceedings of these consistory courts are always good for a laugh in an increasingly sombre world.

Yours, etc.
J. CRONEY,
134 Cedar Drive,
Chichester,
Sussex,
February 14.

Sour notes for Mr Levin

From Sir Denis Forman

Sir, Bernard Levin's inability (February 13) to understand the plainest programme note (except the sort of musical race-reading he quotes from *Rosa Newmark*) cannot, of course, be put down to any inability to cope with the English language. It derives rather from his profound ignorance of musical form. Many of his friends whose pleasure in music is largely emotional share Mr Levin's deficiency, but they don't talk about it so much.

Mr Orga's note of the Schoenberg Piano Concerto is as clear as crystal to anyone who understands the theories of the Second Viennese School. He says that in early life Schoenberg applied his system of serialism with rigidity. As he matured, however, he introduced elements of the old diatonic music into his work.

This was not a case of backsliding. It was in preparation for a new phase in which he treated serialism in a less absolute way. Thus (the word is used correctly) in the piano concerto we hear elements of the old musical system combined with the new.

But this does not detract from the overall impression that the piece is written in terms of serialism. Anything wrong with that? Of course Mr Orga uses jargon but the study of music has its special vocabulary which must be learned.

I should add that I, too, have never heard of Mr Orga, nor am I any great fan of Schoenberg. My sole concern is for Mr Levin himself, and if he will take me with him on his next visit to the Festival Hall, and if he will give me a few minutes before the concert begins, it will be a great pleasure to explain the simpler references to musical form included in programme notes. I am confident that this will add to his enjoyment and will pay for his ticket to prove it.

Yours faithfully,
DENIS FORMAN,
Chairman,
Novello and Company Limited,
1-3 Upper James Street, W1,
February 14.

From Mr Hans Keller

Sir, Having devoted much of a lifetime to the problem of writing about music, I hope to add a note to Bernard Levin's thoughts on it.

In the first place, not everything we don't understand is "drivel" or "meaningless", and should perhaps only be so called if we can, at the same time, demonstrate its vagueness. I hold no brief for Alan Orga's style or jargon, but I should happily challenge Bernard Levin to what, for me, could prove a highly profitable bet: I am prepared precisely to explain what Mr Orga means—to Mr Levin's own satisfaction.

Meanwhile, his jokes about Mr Orga's name (his real name, and hence hardly a justifiable object of public amusement) seem to me on the same youthful level as his jokes about musicology—or, for that matter, music—he doesn't understand.

In the second place, Bernard Levin's juxtaposition of words he dislikes and those he likes shows, simply, that he likes description and loathes analysis. Description, however, only tells us what we can hear, anyway. For all that the desk is it, as its truest, rationalist. Analysis, on the other hand, leads us to the music behind the music—which, in the composer's mind and ear, was the music before the music.

Yours sincerely,
HANS KELLER,
37 Gower Street, NW3,
February 15.

From the Reverend Eric Thacker

Sir, On the strength of his just reprobation of Abbs Orga's ghastly programme notes (February 13), I propose that Bernard Levin be designated as *DRIVEL BANNER* of the month.

Yours sincerely,
ERIC THACKER,
St Paul's Vicarage,
58 Whitmoor Crescent,
Leeds 14,
February 13.

Finance for Mercia

From Mr F. T. Bunting

Sir, As a member of one of the unsuccessful consortia which applied for the licence for the commercial radio station for Coventry, I was very interested to read Kenneth Gosling's article in your issue of February 7.

May I take the opportunity to correct a misleading statement in the article that the local companies—a brewery, a garage, Co-operative stores, newspapers—were all part of the original application of Midland Community Radio. This was not so. It was not until August, 1979, that these local companies, most of whom were members of the unsuccessful consortium in which we participated, became part of Midland Community Radio by underwriting their public offer of shares. The widespread financial backing which Midland Community Radio now enjoys was not part of their original application.

Yours faithfully,
F. T. BUNTING,
Managing Director,
Coventry Evening Telegraph,
Corporation Street,
Coventry.

Dab hand

From Mr George Chowdhary-Best

Sir, I write this letter wearing a suit that was made for my late father in April 1940. So far as I am aware it has never been taken to the cleaners: if it had been it might well have fallen apart long ago. Nor does it pong, whiff, or smell malodorous; and if Prudence Glynn (February 12) doubts this, she is welcome to come and investigate as closely as she likes.

It is true that a certain amount of extraneous matter has had to be dabbed off over the years, but it also remains unlaundered, unwashed and ungrimed. I may add that seven of its eight cuff-buttons are still in place.

Yours faithfully,
GEORGE CHOWDHARY-BEST,
174 Clay Hill Road,
Basilston,
Essex.

Value for our rates

From Miss Amanda Arrowsmith

Sir, I have been a local government officer for eight years, two rounds as I am aware of the mysterious privileges at which Mr Steen hints.

Perhaps naively, I do my job because I believe it makes a contribution to the good of society. Mr Steen's suggestion of private sector involvement in our task is

by Anthony Steen (February 13).

Local government officers are in general less well paid than their private sector counterparts, less well accommodated, and so on, so that I am aware of the mysterious privileges at which Mr Steen hints.

Perhaps naively, I do my job because I believe it makes a contribution to the good of society. Mr Steen's suggestion of private sector involvement in our task is

worthy of full consideration; to

hang it on tired old fibres about a nonexistent "vast edifice of public bureaucracy" does this thesis no service at all.

Yours faithfully,
AMANDA ARROWSMITH,
16 Niagara Road,
Henley-on-Thames,
Oxfordshire,
February 13.

Social Focus

Why London's education authority should go

When the Greater London Council was set up under the London Government Act of 1963, it was decided, in effect, to retain a single authority for education over the area of the old London County Council. This was done by forming a new single service authority, the Inner London Education Authority, which as a legal entity is a special committee of the Greater London Council, but which functions in practice as a completely autonomous body.

Even at the time, the dangers inherent in the vast size and unusual constitutional position of the new authority were recognized. For this reason the 1963 Act contained a provision for a review of the Inner London Education Authority to be laid before Parliament by March 31, 1970. But one of the first acts of the Wilson administration which was elected in 1966 was to repeal this provision and so no review took place.

There are educational, constitutional and financial reasons why such a review should have taken place. Educational achievement is notoriously difficult to quantify, but attainment in public examinations must remain one of the principal yardsticks by which the success or failure of an education authority is judged. The ILEA has always been most reluctant to publish its exam results, but there is still sufficient evidence to show that the pass rate in inner London is significantly lower than the average for England or Wales as a whole.

TABLE I	ILEA	England and Wales
Subjects taken at "O" level/1,000 children at secondary schools	387	608
Subjects passed at "O" level/1,000 children	197	357
Subjects taken at "A" level/1,000 children	95	116
Subjects passed at "A" level/1,000 children	57	78

Yet the past 10 years have seen the wanton destruction of many fine grammar schools which existed in inner London to ensure that academic excellence was available to all, rich and poor alike, who had the ability to benefit from it.

Constitutionally the ILEA is in a position that is unique within local government. The authority has a total membership of 48, comprising the 35 members of the Greater London Council who sit for inner London constituencies together with a member of the council of each of the 12 inner London boroughs and a representative of the common council of the City of London.

Elections to both the Greater London Council and the boroughs are held every four years, but not in the same year; the

borough elections being held a year later than that for the GLC. (The City has a completely different system for electing the common council, just to confuse the issue.) At neither the GLC nor the borough elections does education figure prominently as an issue, if at all. Indeed, the GLC and the different boroughs make it virtually impossible for the electorate of inner London to show its preferences on educational policy.

To realize just how lacking in normal democratic accountability this system is, one only has to put the question: "Can you imagine any education authority being set up de novo with a constitution such as that of the ILEA?"

There is also a financial case to be answered. At present the ILEA decides how much it is going to spend, and the GLC must then precept on the boroughs for the necessary money. Neither the GLC nor the boroughs can effectively challenge the expenditure. Added to this, the ILEA is not in direct competition with other spending committees for available resources. Every other education committee in the country is a committee of a multi-purpose local authority, which has to tailor its spending on education to take account of what it must spend on all the other services it provides. Not so the ILEA, which is not subject to the financial discipline of having to share resources with other services. As a result education in London has become absurdly expensive compared to elsewhere in the country.

TABLE II		
		Unit cost
LEA	No. of pupils	£ per pupil
St Helens	40,428	395
Birmingham	207,171	421
Kingston	21,171	441
Tyneside	37,923	468
Barking	28,576	473
ILEA	373,870	632

The ILEA can be seen to have no direct electoral accountability, and despite spending more per pupil than anywhere else in the country, to have a poor record of educational attainment. A review of education in inner London should have been conducted long ago. What is now needed is reform.

Several alternatives to the ILEA are currently being canvassed, but the solution which offers the best possibility of making education democratically and financially accountable to the electors is to vest responsibility for its provision in each of the inner London boroughs.

It should be remembered that each of the outer London boroughs became an education authority in its own right only

as recently as 1965. Before that education in what is now outer London was the responsibility of the appropriate county council. Yet these London boroughs are managing very successfully, and few people in, say Kingston, would want education returned to Surrey County Council.

It is sometimes argued that a number of the inner London boroughs are too small and too poor to take on the responsibility for their own education. The information on pupil numbers contained in Table II shows that education authorities do not have to be large. Indeed, the smaller the authority, the less likelihood of it being felt to be remote and inaccessible.

As to poverty, it is of interest to see that even the poorer inner London boroughs have relatively high rate bases. Table III shows the product of a 1p rate in 1979-80 for a selection from the education authorities which have lower rate products than the poorer London boroughs. Tower Hamlets, frequently cited as one of the poorest of London boroughs has a 1p rate product of £100,000.

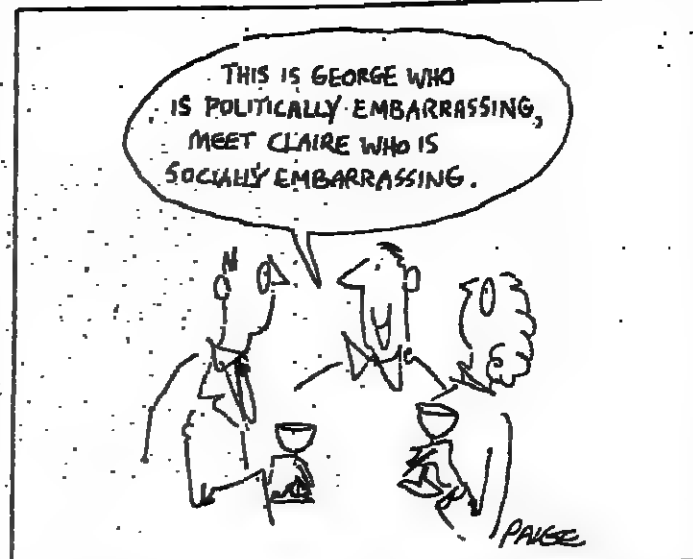
TABLE III		
Haringey	£390,000	
Bexley	£290,000	
Barking	£280,000	
Kingston	£270,000	
Sunderland	£240,000	
Rochdale	£190,000	

At the moment the richer boroughs such as Westminster provide proportionately more of the finance for the ILEA, and so some form of rate equalization would, of course, be necessary. But this is already done for other borough services by way of the rate support grant, and any proposed changes in local government finance could easily be adapted to allow for the extra expenditure that educational responsibilities would put on the poorer boroughs.

Surely the onus is on those who argue for the retention of the ILEA to produce incontrovertible evidence that the problems in inner London are so significantly different from those of other education authorities, such as Birmingham and Manchester, which contain large areas of urban stress, that these unique statutory arrangements had to be made. They must also show that the arrangements are effective in educational, democratic and financial terms. There is little to suggest that this is so. Certainly not enough to remain an expensive, inefficient, constitutional oddity such as the Inner London Education Authority.

Professor David Smith
The author is a member of the Greater London Council for Norwood and Leader of the Opposition, Inner London Education Authority.

The embarrassing problem of saving the image



language) which accompany embarrassment. At a critical point in the conversation, when the subjects were laying into his masterpieces with comments like "they're technically awful" and "I wouldn't have them hanging on my walls," the artist said: "Would it interest you to know that the picture was, in fact, painted by me?"

The non-verbal results of this attack on the self-image were recorded by two video cameras, known about but forgotten by the subjects at this stage. One monitored the face, the other captured the body.

Afterwards, the recordings were shown to the critics who were asked to identify which emotion they felt when the artist made his disclosure. The word embarrassment was buried in a list of 19 emotions. The data were fed into a computer and the results were statistically highly significant. In other words, predictions of body movement, broken eye-contact and fractured speech patterns were valid for most of the subjects (70 per cent).

Fifteen reported embarrassment, seven did not. The 15 showed a lot more body movement (twisting and turning in their seats, clapping hands and so on), much less eye contact with the artist and "speech disturbance".

The unembarrassed displayed none of these non-verbal signs

of embarrassment but instead, they increased eye contact. In the *British Journal of Social and Clinical Psychology* (18, 385-390), Mr. Edelmann speculates that they might truly have been able to ride out the revelation but alternatively they might have been trying to dominate the situation or bury embarrassment by glaring.

Interestingly, when the subjects, whose average age was 31, were told the true objective of the experiment, they all reported being interested and glad to have taken part. Other experiments conducted by Mr. Edelmann in the small, curtained room on the fourth floor have included people's reactions to intimate questions ranging from "what is your favourite television show?" (low intensity) and "what are your most shameful of in your past life?" (medium) to "what are your most private thoughts and fantasies?" (high).

Here again, body movement, eye contact and speech all changed in relation to the degree of intimacy involved. "Embarrassment can never be really hidden with all these non-verbal cues being given off, even though a person may vigorously deny feeling embarrassed," Mr. Edelmann said. "Also, I feel it is a highly infectious emotion. When one person becomes embarrassed in a social situation the feeling spreads to the others and the encounter breaks up."

"Embarrassment, as I see it, is the inadvertent stepping outside of a socially approved set of norms. When it happens you feel socially incompetent. So, fear of being embarrassed can be seen as a form of social control. People try hard to avoid this extremely unpleasant experience and maintain the rules."

"I want to find the best way of coping with the emotion so that personal interactions can go smoothly. At the moment I think an attempt to play down the embarrassment in some way and turn it into a joke and a laugh in the best bet."

Which, in fact, is the outline of the next stage of his research. Perhaps that helps suffering artists might be able to provide a few ideas.

Peter Brock

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■ **Stock markets**
FT Index 451.8, down 1.2
FT GtIs 65.96, rose 0.16

■ **Sterling**
\$ 2.2720, down 2.45 cents
Index 72.3, down 0.5

■ **Dollar**
Index 85.8, up 0.3

■ **Gold**
\$ 648.5, down \$14

■ **Money**
3 mth sterling 17 1/8-17 1/2
6 mth Euro-S 15 1/2-16
6 mth Euro-S 15 1/2-16

IN BRIEF

Net sales of unit trusts down in January

Unit trust sales of £35.5m in January were the highest for eight months, but repurchases were also at an eight-month high of £34.4m leaving net sales of only £1.1m compared with £4.2m the previous month.

The initial launches of three new funds last month more than accounted for the net increase, while net sales of unit trusts linked life assurance averaged £7m a month in the last quarter of 1979.

The aggregate value of unit trust-linked contracts now amounts to £1,019.9m, about one-quarter of the industry's total funds under management of £4,275.8m at the end of January.

Call for Opec summit

The United Arab Emirates has proposed that the organization of Petroleum Exporting Countries hold an extraordinary summit next month to study unifying its oil prices.

Mr. Mansour bin Zayed, the UAE oil minister, announced this in a broadcast from Abu Dhabi.

Eurodollar trouble

Iran's decision to pull out of the Eurodollar project for the production of enriched uranium has left France, the principal shareholder, in great difficulty in raising the money to complete the scheme.

Iran had a 10 per cent share in the £2,000m franc (about £2,378m) scheme.

City regulation plea

Mr. Nicholas Goodison, chairman of the Stock Exchange, says that regulation in the City has gone far enough and is in danger of stifling initiative. But while the need is for an industrial and commercial revival, the political mood still seems to favour more regulation.

Oil usage warning

An official French report by a forecasting group says European Community energy consumption in the next 10 years will double unless major savings are achieved, and that Europe's position will remain fragile if the United States continues to import huge quantities of oil.

£21m new orders

More than £21m of new orders have now been confirmed for nine gas turbines and associated power generation plant from John Brown Engineering in Glasgow, Scotland. They include three turbines for the BP North Sea Magnus Field, five for the ALBA smelter in Bahrain and one for Conoco's refinery in Humberside.

Petrol prices up

British Petroleum, Mobil and Esso on Monday have increased their petrol prices. At the pumps today all grades of Mobil petrol will rise by about 3p. BP's prices will be between 3p and 3 1/2p higher and Texaco garages will charge an average 3 1/2p more.

GKN's £50m tender

Guest Keen and Nettlefolds is involved in advanced negotiations with the East German Government to build a forging plant for truck components. Industry sources said the GKN tender could approach £50m.

Pressures mounting for Budget cut in public borrowing level

By David Blake
Economics Editor

A growing concern about the impact that high interest rates are having on the economy is putting increasing pressure on Sir Geoffrey Howe, the Chancellor of the Exchequer, to cut back public borrowing in his Budget on March 26.

He may try to get the total of borrowing down to around £9,000m or even below, thus ensuring that the Government's deficit does not rise above the level of the current year.

If he decides to do that, the Budget will have to be tough, beginning a period of two to three years of falling real take home pay. There is a growing question mark over whether the Chancellor will be able to give all the increases in personal allowances implied by the Rooker-Wise amendment, which increases personal allowances automatically in line with inflation. The cost of implementing this in full could be £2,000m.

There is an increasing feeling that the country has not fully grasped the gravity of the economic situation it faces, with prospects of precipitate decline and decay. It now seems probable that the recession which is just beginning will last until the end of next year at least, with output falling in both 1980 and 1981. The recovery in 1982 may be relatively feeble at first.

This picture of falling output is made worse, as far as living standards are concerned, by what is seen as the need to restore the health of the corporate sector through restoring profits. Persuading people to accept cuts in their take home pay to do this is likely to be one of the Government's most difficult tasks in the years ahead.

GDP rise slight in last quarter

By Our Economics Staff

British output grew very slightly in the last quarter of 1979. The annual growth figures published yesterday. In the whole of 1979 the economy stagnated, with little change in the size of the gross domestic product (GDP).

Yesterday's figures which give preliminary government estimates of GDP in the final three months of last year, show a rise measured by output, of 0.4 per cent between the third and fourth quarters of 1979.

Much of this rise was due to a recovery in output after the end of the engineering strike in October. The manufacturing sector was more buoyant, since industry's output fell slightly between the third and fourth quarters, according to figures published last week.

The Government's figures for economic growth and industrial production show no sign of the expected recession. However, the economy may well be contracting now, after stagnating last year.

During 1978 and 1979 the economy grew overall by about 1.75 per cent. However, much of this was due to North Sea oil. Excluding oil and gas production and associated activities, GDP grew by only just over 0.5 per cent during the year.

Treasury forecasts are based on the assumption that GDP of 2.53 per cent this year. The output measure of GDP is thought to be the most reliable indicator of short-term movements in the economy. Recently it has diverged considerably from one of the other measures of economic output, expenditure.

The latter grew much more slowly, and to some extent has depressed the Treasury's average measures.

The economy's progress was uneven last year, influenced heavily by strikes and the budget. There was a sharp rise in GDP in the second quarter of the year as industry recovered from strikes and bad weather at the beginning of 1979, and as consumers spent heavily in anticipation of tax increases in the budget.

A feeling that the current level of interest rates are almost intolerably high unites both Treasury ministers and Cabinet colleagues who are variously described as dovish or wet. Increasing signs that there is growing international pressure for a further increase in interest rates has helped convince the Government that there is little prospect of a spontaneous fall in interest rates.

Sir Geoffrey said on BBC Radio's "Today" programme yesterday that while he hoped interest rates would soon fall, this could not happen until Government borrowing was reduced. The Public Service Borrowing Requirement (PSBR) is expected to be around £9,000m or perhaps slightly less in the year to April.

In recent months the Government has been increasingly convinced of the closeness of the link between the size of Government borrowing and pressures to raise interest rates.

This is because the Government may be forced to push up interest rates if its borrowing rises so that it can sell enough gilts to keep the money supply under control. This is because of the impact of the recession on the Government's deficit which will tend to rise next year to around £11,000m if no corrective action is taken.

Some advisers have suggested that borrowing ought to be allowed to rise in order to counteract the effects of the recession. This view seems to be losing out in Government councils. Instead, the feeling is that a Government committed to getting the scale of public borrowing down ought not to allow it to rise significantly just because of short-run movements in the economy.

Receiver called in at Dunbee toy group

By Alison Mitchell

Dunbee-Combs-Marx, Britain's largest independent toy maker, which manufactures Hornby trains, Sindy dolls, Scalectrix and Pedigree toys, has been put into the hands of a receiver.

Although the group is trading profitably in the United Kingdom, it has been crippled by losses in America and Europe and cannot meet its liabilities under guarantees of the overseas companies' debts.

As well as appointing a receiver for the parent company, Midland Bank has appointed a receiver to all British subsidiaries except those in the Marlet Group of DIY and industrial businesses which includes Decco, Dunbee and Stephen Wilson group. A flotation, through an offer for sale, is planned and this could raise some £5m for the stricken group.

Mr. Richard Beecham, founder and joint managing director of the group, said yesterday that the problem in the United States had a "domino effect" on the overseas bankers. Because of the continuing trade losses in America, the United States creditors have applied to the court for a moratorium to protect their interests.

This appears to have been the final blow. Mr. Beecham said that the only way to save more time everything would be all right. We have plenty of reserves. Although the 1979 figures have not yet been released, he admitted that

This view is reinforced by a feeling that financial markets would interpret a borrowing requirement of above £10,000m as a significant relaxation of the Government's determination to reduce inflation.

The Chancellor's task in getting the borrowing requirement down for the year ahead is made more difficult by the pressures on him to do something to ease the position of the corporate sector, which is facing increasing strain in its cash flow. Serious consideration is being given to reducing the employers' National Insurance surcharge as a way of helping companies. At the same time, there is thought to be little scope to raise significant quantities of extra revenue by increasing indirect taxes because of the inflationary effect this would have.

Although some cuts in public spending have been agreed, the numbers seem to point inexorably to the need to take a tough line on income tax to raise more revenue.

Refusing to increase personal allowances to keep pace with inflation could mean that more people would have to pay tax and that taxpayers' bills would increase as the earnings went up.

It would, however, probably be less politically embarrassing than increasing the standard rate of tax on the income of the present level of 30p in the pound. The Government is hoping to reduce this figure to 25p in the pound in the years to come.

One possible short-term expedient might be to change the incidence of the lower rate of tax so that it affected fewer people or was abolished altogether.

Chances of reform, page 21

Orient Overseas bid for Furness Withy hits snags

By Peter Wainwright

The £96.5m bid of 360p a share from Mr. C. Y. Tung's Orient Overseas Container Corporation (OCC), one of the world's largest shipowners, for Furness Withy seems to have run into problems.

Mr. C. H. Tung, his son, said in London yesterday that he had twice held exploratory talks with Mr. Brian Shaw, chairman

of Furness, and with fellow director Sir Ralph Bateman. It was understood that Mr. Walter Salomon, Furness's merchant bankers, Rea Brothers, was also present. Rea has not disclosed the share stake it could influence in Furness, but it is thought to be between 10 and 20 per cent.

Mr. Tung would not be drawn on whether the talks were pro-

Newman directors face £450,000 damages bill for attempt to mislead shareholders

By Alison Mitchell

Two directors of Newman Industries will have to pay damages of at least £450,000 as a result of an attempt to "trick and mislead shareholders into accepting a deal which was not in the financial interests of the company."

At the end of one of the longest and most costly post-judgment appeals in the High Court, Mr. Justice Vinelott ruled yesterday that the Prudential Assurance Company—a minority holder in Newman—and other shareholders had suffered damage as a result of the conspiracy.

The judge held that the Prudential had established that a takeover by Newman of assets of Thomas Poole Gladstone China had not been in the interests of, or for the benefit of, Newman.

The deal was set up by Mr. Alan Bartlett, the Newman chairman, and Mr. John Laughton, the vice chairman, who also headed the board of Thomas Poole.

However, the judge doubted if Mr. Bartlett ever fully understood the difficulties and dangers inherent in the complex which were bound to arise between the interests of associated companies.

"When disaster loomed Mr. Bartlett saw the destruction of what he genuinely believed to be a potentially valuable scheme. I think he may have

believed that it would be for the ultimate benefit of Newman that it should be paired with a network of associated companies."

But to say that Mr. Bartlett was motivated at least in part by his desire to keep the package together, and that he believed benefits would ultimately flow from it, is not to excuse his conduct, he said.

Thomas Poole, Gladstone, which had a 25.6 per cent holding in Newman, was itself 35 per cent owned by Strongpoint, a company wholly-owned by Mr. Bartlett and Mr. Laughton. In June 1978 a deal was concluded—signed by Mr. Laughton without approval from Newman shareholders—to buy a package of Thomas Poole assets. These assets included the Newman shares and a £100,000 debt owed by Strongpoint.

Later that month Mr. Bartlett sent a circular to Newman shareholders in which, the Prudential claimed, had been intended to induce the approval of the scheme, designed to benefit Thomas Poole at the expense of Newman.

The judge, who described the circular as "tricky and misleading," said that a shareholder reading it would be quite unable to form any assessment of the merits of the transaction.

Deloitte & Co, the accountants, who were asked by Newman to value the Thomas Poole package, were misled by dishonest statements or concealment of material facts by Mr. Bartlett and Mr. Laughton. This figure exceeded the market value of the assets by at least £450,000, the judge said.

"He (Mr. Bartlett) knew that if the true facts as to the financial position of TPG and the market value of its assets became known to the Newman board and shareholders there would be no prospect that they could be persuaded to accept them at a price sufficient to enable him to salvage TPG and avoid embarrassing disclosures of the use made of TPG's and Newman's money."

"Having embarked upon the scheme it was carried through with the cooperation of Mr. Laughton by means which involved the deliberate deception of the board and shareholders of Newman," the judge told the court.

At the end of his 250-page judgment, which took one-and-a-half days to deliver, Mr. Vinelott made no immediate orders. He directed that the parties should return to court at a later date to formulate the basis for an inquiry into the damage suffered by Newman and to deal with the question of costs which



Mr. Alan Bartlett: responsible for setting up the deal.

are estimated at about £750,000. The rumour of Thomas Poole's stake in Newman was sold to Lonrho was finally taken over by Maddock from which Newman, through Grindley of Stoke (Ceramics), a subsidiary, has just agreed to buy the United States ceramics interest for about £4.8m in cash and shares.

Financial Editor, page 21

Prime rates jump as Fed chief signals tighter monetary policy

From Frank Vogl
US Economics Correspondent

Washington, Feb. 19.—American monetary policy is to be tightened, Mr. Paul Volcker, the chairman of the Federal Reserve Board, today declared that there should be no doubt that the central bank is determined to curb money supply growth in 1980 and in the years ahead. He added: "he must come to grips with the problem of inflation."

News of the tightening of monetary policies produced sharp reactions in financial markets and at banks. Chase Manhattan Bank, Chemical Bank and the Bank of America, were among prominent institutions to raise their prime lending rates to 15.75 per cent from 15.25 per cent. Short-term treasury bill yields rose to record levels and by mid-session on the New York Stock Exchange the Dow Jones industrial share price average was sharply lower, down by 10.66 to 874.32 points.

Mr. Volcker told the banking committee of the House of Representatives that the central bank is now willing to run the risk of a recession in order to secure lower money supply growth.

The central bank chief said this is not the time for tax cuts, nor does he approve of mandatory wage and price controls or credit allocation. He told Congressmen that they must make every effort to reduce public spending and added that a reduction in the United States oil imports was a critical national priority in the fight against inflation.

The Fed today released new money supply growth targets for 1980, which because of changes in the technical definitions of money make it impossible to make precise comparisons with the Fed's previous target ranges.

A Fed spokesman pointed out that the full degree of tightening becomes apparent only when the new mid-point of the new ranges, which amounts to the goals for money growth this year, with the actual rate of growth seen in 1979. The very narrow new measure of the money supply, M1A, is set to grow by between 3.5 and 6 per cent and its 4.75 per cent mid-point compares with actual growth last year of 5.5 per cent.

Mr. Volcker said time and again that the economic outlook now is particularly uncertain and that, while he does believe there will be a mild recession, the economy could once again prove to be stronger than is widely anticipated.

The bank's forecasts suggest real gross national product in 1980 will be between plus 0.5 and minus 2.5 per cent, with consumer prices rising in a range of between 8.75 and 12 per cent and with unemployment rising to between 6.75 and 8 per cent.

By the end of the day, the dollar had slipped slightly on profit-taking, and it finished at DM1.7483, up from DM1.7421 on Monday. The dollar rose against the Swiss franc 1.6381 and the French franc 4.076.

The slightly broader monetary aggregate, M1B, is set to grow by 4 to 6.25 per cent and its mid-point of 5.25 per cent compares with 8 per cent seen last year. Mr. Volcker said that the 8 per cent figure is somewhat inaccurate, because of special one-time factors and a better adjusted number is 7 per cent.

M2 and M3 are set to rise under the Fed's new targets by 6.5 to 9 per cent and by 6.5 to 9.5 per cent respectively. The new mid-point for M2 is, therefore, 7.5 per cent and this compares with 8.8 per cent in 1979 and for M3 the new mid-point of 8 per cent compares with 9.5 per cent growth in 1979.

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The bank's forecasts suggest real gross national product in 1980 will be between plus 0.5 and minus 2.5 per cent, with consumer prices rising in a range of between 8.75 and 12 per cent and with unemployment rising to between 6.75 and 8 per cent.

Referring to the binder involving Mr. Dennis Harrison Sasse's American agent known as the "Den-Har binder" and another known as the Canadian binder, Lloyd's denies that these authorities were granted without the authority of the plaintiffs.

It says that the syndicate's agents or sub-agents had full authority to grant binding authorities under the express terms of the syndicate agency agreements.

Lloyd's also points out that the binders were granted and written in underwriting rooms at Lloyd's and thus complied fully with proper rules and procedures.

Insurance business supplied under the Den-Har and Canadian binders led to a large proportion of the losses being disputed by 35 out of the 110 members in the Sasse syndicate.

Dollar bounds after Volcker pledge

By Caroline Atkinson

Sterling fell sharply yesterday in currency markets that were busier than they have been for weeks. The dollar bounded up on the back of higher American interest rates and the promise of firm control of the money supply from Mr. Paul Volcker, the Federal Reserve Board chairman.

The pound was one of the hardest hit currencies, losing 2.45 cents on the day against the dollar. It fell by 0.6 points on the trade-weighted index to finish at 72.3 per cent of its 1976 value. The lowest it has been since early this month.

Sterling has been riding high for most of this year. North Sea oil and high British interest rates have attracted a substantial amount of money into London, but accelerating inflation, a yawning trade deficit and a growing concern about the effects of the steel strike on the economy are now making people wary of holding too much sterling.

A general rise in the world interest rates triggered by credit tightening in America could reduce the attractiveness of the pound for international investors. This is now expected in the markets after yesterday's rises in American prime rates.

The Japanese yen was also weaker against the dollar yesterday. Despite heavy support from the Bank of Japan in Tokyo overnight, the yen dropped by just over 1 per cent against the dollar in Japan.

Desires reported very little movement in the yen in London and concluded that it was being held firmly by Japanese intervention. It closed down on the day at 245.4 yen to the dollar from 244.9 on Monday.

The German and Swiss currencies were weaker too. The dollar rose above 1.75 against the Deutsche mark at one point during the morning. The West German federal bank was thought to have been in the market selling dollars when the rate dipped below DM1.75, a reversal of the usual position.

By the end of the day, the dollar had slipped slightly on profit-taking, and it finished at DM1.7483, up from DM1.7421 on Monday. The dollar rose against the Swiss franc 1.6381 and the French franc 4.076.

Big demand for consumer goods as hedge against inflation rate of 116pc

Coping with an Israeli pound in your pocket

A further landmark in the saga of Israel's runaway inflation was achieved this week with the disclosure that the Israeli pound is now officially worth less than one agorot was in September 1971, the date when the country's cost of living index first began to be measured. (100 agorot = £1 Israeli).

The depressing statistic emerged with the publication of the index for January which showed a rise of a further 7.3 per cent, despite the efforts of Mr. Yigal Hurwitz the new finance minister to impose a firm grip on the economy during his first 100 days in office. He brought the official inflation rate to just over 116 per cent, although many economists are convinced that the true figure is closer to 150 per cent.

Whatever the method of calculation chosen, the need to cope with such a rapid rate of price rises has imposed strains on all sections of society. At the most violent level, it has been responsible for a revival of the "Black Panthers", a movement based among deprived oriental Jews living in the slums of Israel's big cities. He group was responsible for a spate of riots last year organized in protest against the Government's decision to remove subsidies from many basic foodstuffs.

The combination of rising prices and depreciating currency has encouraged efforts to secure credit at all costs, leading to a national habit of writing post-dated cheques and a high demand for consumer loans at interest rates over 50 per cent.

It has also encouraged a rash of inflation jokes. One of the most popular concerns a tourist who asks a Jerusalemite whether it is cheaper to travel by taxi or by bus. He is told firmly to take a taxi because the bus fare has to be paid straight away.

As well as posing the most serious threat to the chances of Mr. Begin's coalition government being returned at the election due early next year, inflation is also the subject of endless private conversations. The fact that much of the population is cushioned against its worst effects by a generous system of index-linked wages, pensions, loans and insurance is by no means sufficient to stop it causing difficulties in almost every aspect of life.

Among the middle classes, the bulk of the sacrifices are being made in the home. Many families have now sharply cut their consumption of meat, stopped visiting the cinema, reduced their use of the car and, perhaps hardest of all for a race renowned for its hospitality, cut down on home entertaining.

The ravages of hyperinflation have also encouraged buying in certain sectors of the economy, particularly luxury consumer goods which are seen as a good hedge. For months there has been a brisk and incongruous trade in colour television sets—although it is likely to be at least two more years before Israel gets its own colour TV service.

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Christopher Walker in Jerusalem

PRICE CHANGES

Rises

Burmah Oil 6p to 21 1/2p
Esso 10p to 25 1/2p
Hampson Gold 20p to 21 1/2p
Jones (Ernest) 8p to 8 1/2p
Marchwell 8p to 8 1/2p

Falls

Airfix Ind 1p to 19 1/2p
Booker McCa 7p to 26p
Change Wares 3p to 9p
Cons Gold Fds 50p to 50 1/2p
Fisons 8p to 28 1/2p

Massey-Ferr 15p to 430p
Pilkington Bros 8p to 22 1/2p
Ulster 15p to 49 1/2p
Wainwright 3p to 60p
Western Mining 7p to 25 1/2p

Ford M 2p to 29p
Furness Withy 12p to 36 1/2p
Glenfidd 1p to 10p
Middle West 10p to 49 1/2p
Newman Ind 2p to 51p

THE POUND

	Bank	Bank	Bank	Bank
	buys	sells	buys	sells
Australia \$	2.12	2.06	Norway Kr	11.57
Austria Sch	30.10	29.10	Portugal Esc	113.90
Belgium Fr	69.00	68.50	South Africa Rd	1.96
Canada \$	2.71	2.54	Spain Pta	157.50
Denmark Kr	12.91	12.36	Sweden Kr	9.85
Finland Mk	5.83	5.43	Switzerland Fr	7.92
France Fr	9.85	9.23	Yugoslavia Dnr	2.34
Germany DM	92.00	85.00		33.00
Great Br	11.60	11.00		
Hongkong \$	1.12	1.075		
Ireland Pd	1940.00	1850.00		
Italy Lit	583.00	558.00		
Japan Yen	4.38	4.35		
Netherlands Gld				

ERNEST JONES

Results for the year ended 29th September 1979

	1979 £000	1978 £000
TURNOVER (VAT inclusive)	9,002	7,026
TURNOVER (VAT exclusive)	7,938	6,285
PROFIT before TAXATION	1,618	1,272
PROFIT after TAXATION	1,595	1,269
EARNINGS per Share	31.9p	27.4p
DIVIDEND per Share (net)	7.5p	3.5p

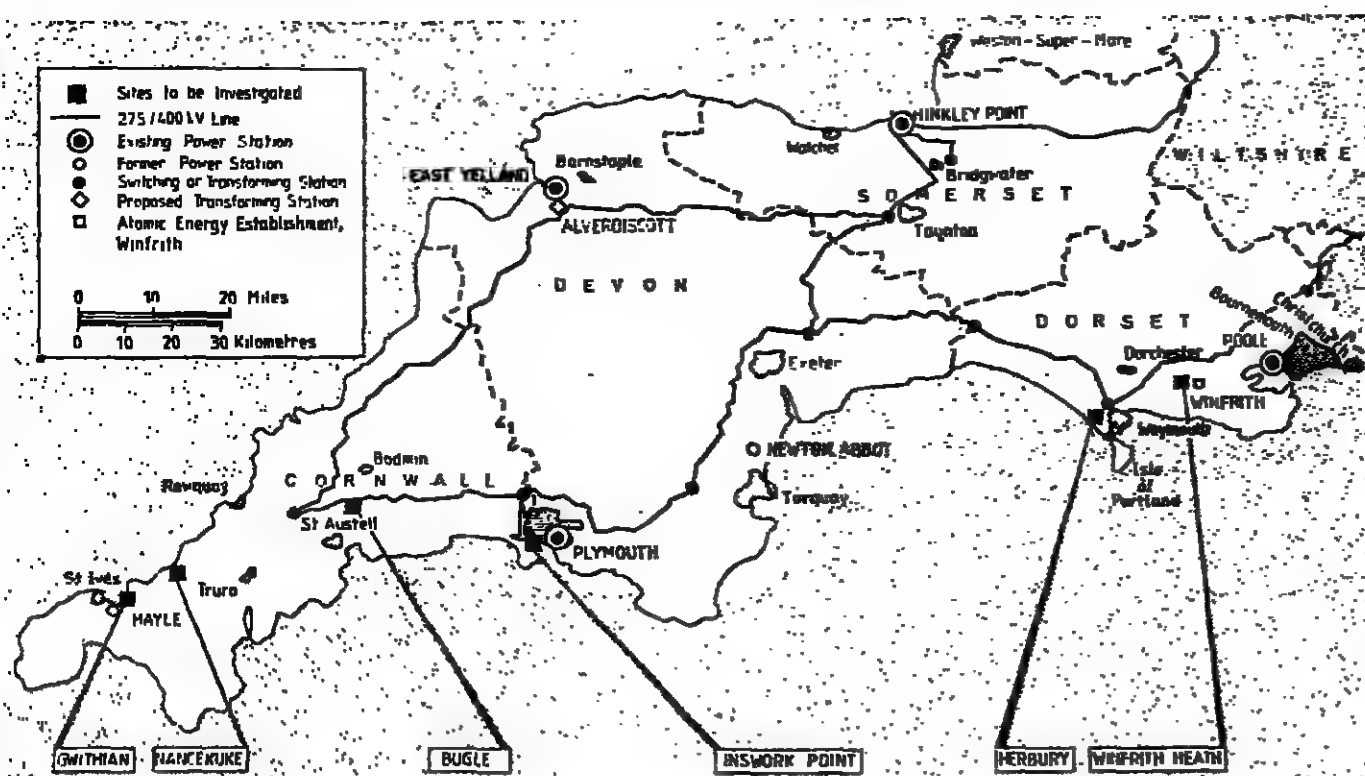
Points from the Chairman's Statement:

- * Group turnover increased by 26%
- * Group profit increased by 27%
- * 1-for-1 Scrip Issue proposed
- * Trading during first quarter of current year was at a very high level

Copies of the Report and Accounts may be obtained, on or after 27th February, from The Secretary.

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CEGB investigates possible nuclear sites in Cornwall and Dorset



By Nicholas Hirst
Energy Correspondent

Five sites in Cornwall and Dorset are to be investigated as possible sites for building nuclear power stations. The Central Electricity Generating Board is expecting to face a public inquiry to gain permission to build on any of the sites. As an option, the CEGB is investigating whether a site at Inverness Point, originally planned as an oil-fired station, could support a coal-fired station supplied by sea.

This site is too close to Plymouth to permit the building of a nuclear station under present regulations. Hinkley, an acknowledged beauty spot on the banks of the Fleet between Abbotsey and Weymouth in Dorset, may prove the most controversial of the sites, but there is bound to be concern over the others. These are Winfrith Heath, also in Dorset, which is next to a United Kingdom Atomic Energy Authority power station; Gwithian, north of Hayle in Cornwall; Nancekuke near Portreath on the site of a wartime airfield; and Bugle, on the edge of china clay workings in Cornwall. This is the second attempt at trying to solve the South-west's

future power problems. Seven sites were investigated in 1968 for a station to meet a demand for electricity growing faster than the national average. The plans came to nothing when Mr Wedgwood Benn turned down building an oil-fired station at Inverness Point on grounds of national energy policy. The type of reactor for the proposed new station has yet to be chosen. The Government plans to introduce American-designed pressurized water reactors (PWRs), but an eco-prove for large for the South-west's needs. This would leave the way clear for a British advanced gas-cooled reactor (AGR) similar to the one already operating at Hinkley Point.

Investigation work, beginning soon, will include exploratory drilling, hydrographic surveys and environmental studies. It is expected to take two years and first building work is unlikely before 1986, with a station being commissioned in 1992 at the earliest. As well as investigation of nuclear sites, reuse of sites of the power stations at East Yeal, Plymouth and Poole will be considered, and sites of former power stations at Hayle and Newton Abbott may be used for gas-turbine generation to meet peak demand. The CEGB is also reinforcing the 400-kilowatt transmission link between Hinkley Point and Bridgwater and extending it with a new line to Taunton.

Huge rise in Italian deficit

Italy's trade balance underwent a sharp deterioration in 1979 with a deficit of 4,725,000 lire (£2,625m), compared with 363,000 lire (£201m) in 1978, according to the latest government figures released in Rome.

December alone registered a deficit of 1,718,000 lire. The non-oil sector, usually in surplus, showed a deficit for the month of 89,000 lire.

Petrol shortage

Naples was very short of petrol yesterday, and Signor Luigi Preti, the transport minister, called in representatives of oil companies and the striking tanker drivers, who are demanding a higher share of recent increases in petroleum prices, for talks.

Japan export hopes

Japan's trade balance should end up in surplus within the next fiscal year despite a record \$3,412m (about £1,480m) deficit for January, Mr Shintaro Yoshikuni, a senior Japanese Government economist, says. He claims a 10 per cent rise in exports would convert the deficit to a surplus.

Bonn premiums up

Figures from West Germany 20 largest life insurance companies show the industry's premium income rose by 10.6 per cent last year in nominal terms, or 6.2 per cent in real terms. Premium income was 26,000m Deutsche marks (about £6,560m).

Canada uses more oil

Canadian oil product consumption totalled 60.83 million barrels in December up 2.5 per cent from December 1978.

Dutch unions hit back

Work stoppages have begun at a number of businesses in the Rotterdam area as Dutch labour unions mount protests against the governments plans to cut public spending and restrain wages.

The Netherlands largest labour federation, says further protests and demonstrations will follow.

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BY THE FINANCIAL EDITOR

Stronger medicine from the Fed

The United States Federal Reserve Board has at last reluctantly conceded what has been apparent to the money and bond markets for weeks. The package of last October was simply insufficient to slow the economy and halt the acceleration in the pace of American price inflation.

This is something in itself, but it is ominous that the response, now that the patient has failed to respond to one taste of the medicine, is merely to step up the dosage.

Financial markets will be deeply relieved that the Fed has kept its nerve in an election year by tightening up in apparently impressive fashion on money supply targets. It was clear from yesterday's market reactions, however, that there is no doubt about the price that will have to be paid if these laudable targets are to be achieved.

The Fed has now added its voice to those opposing credit ceilings and wage and price controls. The Administration, for its part, is still bent on what economists see as an excessively expansionist fiscal policy, forecast (officially) to produce a budget deficit of \$40,000m this year against \$27,700m last year. In short, the burden of slowing monetary growth and curbing inflation is devolving almost solely upon interest rates.

Any hopes there might have been of an early downturn in dollar rates have, accordingly, been shattered. Since last Friday's discount rate increase the bond markets, already in a state of collapse, have plummeted even further.

Short-term Eurodollar rates which a week ago were looking stable at around 14-14 1/2 per cent were up around 15 1/2 per cent last night and the United States prime rate has moved up to that level, too.

The only consolation for investors is that long-term bond rates are at last edging alongside the rate of United States inflation, but it is increasingly hard to see how equities can continue to ignore the plight of the fixed rate markets.

All this is, of course, equally depressing for the European markets, which are awaiting a drop in dollar rates before they can realistically expect any reduction in their own historically high rates.

Dunbee-Combex-Marx

The game is over

After a good profits record before the setbacks of the past couple of years since going public in 1962, Dunbee-Combex-Marx has finally paid the penalty for over-extending itself by trying to become a major force in the world toy industry.

Following the breakdown of talks to sell its loss-making United States subsidiaries which it bought four years ago, the cash haemorrhage across the Atlantic has now become terminal and yesterday the group's major creditor Midland Bank put in a receiver to salvage what it could from the ashes.

The sheer scale of its United States liabilities, however, means that ordinary shareholders are unlikely to be left with anything at the end of the day. This is in spite of a profitable United Kingdom toy side which the receiver should have little trouble in finding a buyer for and the do-it-yourself division, which has been

excluded from the receiver, where plans to float this off should bring in perhaps £6m.

The last balance sheet which is now a year out of date showed borrowings of £32m and a net worth of £23.5m or 102p a share. Since then shareholders' funds have been reduced by £5m following the first half loss and second half losses have been equally serious.

Dunbee's problems however are that much of the balance sheet is represented by the

United States assets but following the heavy losses in the United States liabilities are around \$12m higher and guarantees on its overseas debt—only a quarter of the \$20m owed to Chemical Bank is thought to be covered for example—but in any liquidation stocks would be worth much less than they are presently valued in the balance sheet.

At the moment the main uncertainty is the extent to which Dunbee guaranteed its overseas debt—only a quarter of the \$20m owed to Chemical Bank is thought to be covered for example—but in any liquidation stocks would be worth much less than they are presently valued in the balance sheet.

Newman Industries

Questions of company law

Unless it is challenged on appeal, yesterday's decision in the High Court, in favour of Newman Industries, opens up all sorts of interesting possibilities. In the first place the Pru, which over the past five years has battled the case on behalf of the rest of the shareholders, has established that, given the right factual circumstances and the money to pursue the matter, a class action can be brought in the English courts. So that opens up a new area of activity to disaffected shareholders of a company controlled by its directors. But there is much more to it than that.

In the second place, Mr Justice Vinelott's decision that, though the directors of Newman did not own a majority of the voting shares of the company, Messrs Bartlett and Laughton had de facto control—by virtue of personality and their entrenched position—and could therefore be sued by another on behalf of the company, really puts a completely new gloss on the risks and rewards of directors.

They are going to need indemnity insurance—though given that there will be few shareholders to pursue a matter with the means and the determination that the Pru has used on this one, the premiums should be reasonably low.

In the third, there is the interesting question of what effect the case will have on the institutions' penchant for voting with their feet. In this case the Pru took the other course, for which the rest of the shareholders in Newman ought to be duly grateful—though it appears that they are apt instead to reckon up the damages that the concurring scandal is doing to their shares.

In this case, however, it will be possible to put a figure on the damage done by the TPG affair. If it is a matter of managerial incompetence, rather than the issue of "tricky and misleading" circulars, the questions for the fund manager will be what they have always been: whether to stand and fight or sell the problem on to someone else.

Marchwiel

Cushioned by cash

Civil engineering groups currently have nowhere to turn as public sector cutbacks bite ever more deeply at home and competition intensifies overseas. But at least the major groups, like Marchwiel, have the benefits of huge cash balances built up in better times to fall back on as the recession deepens.

Although turnover rose 27 per cent to £239m last year, largely reflecting new motorway contracts, the rewards from which have yet to be quantified, profits fell from £13.55m to £12.43m. And without the switch to SSAP 12 which reduced the depreciation charge the figure would have been only a shade above the group's forecast of £11m made at the interim stage.

Marchwiel was hard hit by last year's adverse winter weather, but now the problem is simply one of available work drying up at home, while overseas, with the exception of Portugal and South Africa, competition has driven prices below the level of viability for western groups.

To make matters worse, Marchwiel, as with other civil engineers, is finding it increasingly hard to wrest payment from financially-stretched local authorities for completed work.

Having come back a long way—the shares recovered 5p to 88p yesterday where they yield 9.7 per cent on the one fifth dividend increase and sell at just over five times fully-taxed earnings. At this level they lean heavily on cash holdings of perhaps £19m, or nearly 70p a share, which Marchwiel hopes to spend on diversification, and a net asset value of around 175p a share.

Capital taxation: what chance of radical reform this time?

Sir Geoffrey Howe's first budget was a great deal more radical than anyone would have forecast at the time of the general election. His second, which will be announced on March 26, is likely to be a great deal less so.

This is partly because the economy has responded sluggishly to Conservative efforts to regenerate it and this has left the Government little room for manoeuvre. It may also be because the merits of stability and certainty, at least for those engaged in the management (and the taxation) of business, have been impressed on the minds of Conservative ministers.

At any rate the bulk of the tax provisions this time seem likely to be directed towards correcting anomalies—particularly the anomalies created by a high rate of inflation—rather than changing the weight or emphasis of the Government's take. In one area, capital taxes, the Government has already committed itself to change. But how much will it do in this Budget?

Both of the principal forms of capital taxation—capital gains tax (CGT) and capital transfer tax (CTT)—have long been targets of Tory wrath, the first because it is unjust, the second because it is inequitable. With the abolition of exchange controls, both of them are potentially ineffective, as well. The Chancellor has had a review of capital taxation conducted under the chairmanship of Lord Cockfield. The question now is whether this review will bear fruit of any significance next month.

In the City at least there have

been some strong hopes that capital gains tax would be abolished altogether. Its deficiencies are obvious enough and universally admitted, even to the point that the Inland Revenue produced a consultation document at the end of 1977, discussing how best they might be remedied. They hinge on the fact that, at a time of high inflation, all too often the capital gain that is being taxed is, in real terms, not a gain at all.

Of the remedies proposed, indexation—of the gain itself or, more simply, of the asset on which the gain is made—is in principle the most just. It does, however, pose administrative difficulties, relating for instance to the allocation of cost and wasting assets.

Costs

The solutions, in the Revenue's opinion, "would involve considerable complexity, resulting in increased staff costs for the Revenue and increased compliance costs for taxpayers." Since one of the objects of the review of capital taxation is to cut down on the cost and complexity, this one looks like a non-starter.

The alternative, development of some form of tapering relief, is like the review of capital taxation in that it is a compromise, and can therefore almost certainly be ruled out as a product of the Conservative's reforming zeal.

The arguments for the abolition of CGT really hinge on the fact that it is unjust in

itself, and apparently impossible to amend without recourse to further injustices, increased complexity or both. But however attractive the abolitionist solution appears in the City, its protagonists ignore a still more basic problem of equity.

If it is just to tax the proceeds of employment can it possibly be just not to tax the proceeds of investment? The Conservatives may be more likely than their political opponents, to recognize the value of the speculator in the market, but they are hardly likely to put him at such an advantage that they devalue the worth of honest toil.

In any case, the yield on CGT (from individuals) is likely to be in the region of £390m in this tax year, according to the *Financial Statement and Budget Report* (Red Book) estimates; and the Government cannot afford to abandon that for the sake of what would certainly be hailed as a charter for the wideboys.

There is rather the same problem in doing anything radical about capital transfer tax. Conservative philosophy would have it that this is a serious deterrent to the creation and encouragement of small businesses; hence the emotional appeal made earlier this week by Mr David Mitchell, the Under-Secretary of State for Industry, for a return to that most human of incentives—the prospect of passing a family business to the next generation.

Whether small businesses in fact benefit from such an incentive is open to question; but the Conservatives have

made such a song and dance about the effects of CTT that it is not open to question that they will do something about it. However, abolition is out of the question on two grounds.

First, the tax will bring in some £360m this year (Red Book estimates); and second, the Conservatives themselves recognize the merits of dispersing wealth: it is no part of our aims to encourage the concentration of the country's assets into fewer and fewer hands" (*The Right Approach*, 1976).

As a means of encouraging the dispersion of wealth, however, capital transfer tax is not all that efficient. It encourages a split between husband and wife, and early dispersion rather than an attempt to hang onto the money until the bitter end; but there are certainly better ways to encourage the wealthy to spread their wealth around.

Transfers

Notable among these is an accessions tax, of the kind widely applied in continental Europe, under which the transfer of assets is taxed according to the wealth of the recipient rather than that of the donor. Whether the effects of such a tax would completely remove the incentive provided by family succession, is also open to doubt; but as a long term aim of government policy it has plenty of attractions, not least among them the fact that such an announcement would

absolve the Government of any need to do anything radical in the meantime.

But there are certain anomalies that can be corrected without unduly depressing the yield on the tax or compromising the Government's longer-term position.

Most glaring of these is the provision under which assets transferred during the donor's lifetime are "liable" to be assessed for both capital transfer tax (though at a lower rate than assets transferred after death), and capital gains tax. This is almost certain to be corrected in the Budget.

The threshold at which capital transfer tax is applied is also likely to be raised to reflect the impact of inflation, though it is likely that the Chancellor will attempt to retain his future freedom of action by declining to introduce any formal sort of indexation.

Finally, the steep progressive rise in the rate of tax is likely to be flattened out so that it bites less deeply into the transfer of wealth. Moves on capital gains tax are likely to be along similar lines, with the exemption on small gains (at present £1,000) being lifted to the benefit of collection costs as well as the taxpayer, and a corresponding increase in the level at which the full rate becomes payable.

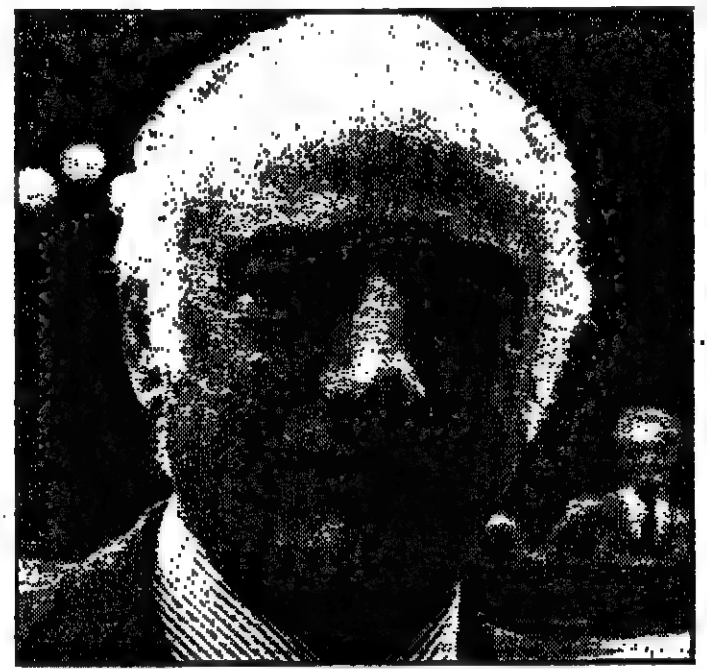
Any more drastic change will probably have to wait on a change from taxing income to taxing expenditure. The thought alone is sufficient to cause the Inland Revenue, which has just been given authority to computerize the PAYE system, to groan in horror.

Financial Statement and Budget Report 1979-80, published by HMSO (£1.25 excluding post and packing).

Greece hurries to put its house in order

Next January the Greeks will become full members of the European Community.

Mario Modiano examines the problems they must solve before then



Mr. George Kontogeorgis, Greek minister in charge of EEC affairs: "exceptional measures" to deal with inflation.

have branches in Greece where there are only 12 Greek commercial and investment banks, nine of them state-controlled.

One question the government will have to settle with the EEC before January 1 is the adjustment of Greek farm prices to those of the Community. The differences are not enormous, however, as inflation has already raised Greek prices. Once they are established, the differences will be eliminated by five yearly instalments during the period of grace. For peace and calmness it will take seven years.

According to Mr. Kontogeorgis, estimates made in 1978 indicated that the consumer price index in Greece would rise by about 5 per cent during the five-year period as a result of these adjustments. This increase is likely to be lower because of the elimination of Greek state subsidies on meat and fertilizers in 1979.

Greece has been an associate member of the EEC since 1962 and during the course of this association import tariffs on EEC industrial products have been eliminated in the case of products not manufactured locally and reduced to 32 per cent for the rest. These will be wiped out gradually within the five-year grace period.

Association with the Community has brought Greece countries to face competition without protective trade barriers, so that any should be smoother than it is likely to be for those candidates who start from scratch. It has given several industries time to adjust their production to a market not of 10 million Greeks but 250 million Europeans.

What is causing some surprise to Community officials is that the Greek government has not so far prepared the detailed schemes needed to take advantage of Community financing in infrastructure projects. The Greek economy has suffered in recent years from a serious shortage of private industrial investment. This reflected in the slow growth of industrial production and it may gradually cause large-scale lay-offs, giving the country an unemployment problem for the first time in two decades.

Beginning next month, Greece will be taking part as an observer in the Community's management committees and ad hoc groups, which work out proposals and advise the ministerial council. This will give the Greeks a chance to express their opinion on these proposals at the preparatory stage.

By September the Greek ambassador to the EEC will sit in at the meetings of the Council of Permanent Representatives in readiness for the day, a few months later, when the Greek foreign minister will take his seat as an equal in the ministerial council, which will then be commonly known as the Council of Ten.



Mr. Richard Beecham, joint managing director of Dunbee-Combex-Marx.

excluded from the receiver, where plans to float this off should bring in perhaps £6m.

The last balance sheet which is now a year out of date showed borrowings of £32m and a net worth of £23.5m or 102p a share. Since then shareholders' funds have been reduced by £5m following the first half loss and second half losses have been equally serious.

Dunbee's problems however are that much of the balance sheet is represented by the

Business Diary: Fire power • City's Cash flow

At 8.45 yesterday morning, the Pall Mall gun firm of Churchill, Arkin, Grant & Lang, took possession for an undisclosed fee of two shotguns it had made for the Duke of Windsor for £150 each in the 1950s.

Twenty minutes later they had found a buyer—the daughter of a Greek shipping owner who went away delighted with what she considered a bargain. She had paid £18,000 for the pair.

High-class shotguns can make a killing both on and off the moors today, which goes a long way towards explaining the plans of Churchill's owners, the Harris and Sheldon group, for their gun making business. Churchills, where a gun will

cost you £9,000, will remain untouched. It will continue to produce 70 pieces a year in a market where its sole competitors are firms such as Purdey and Holland and Holland.

But the 146-year-old name of gun-makers W. & C. Scott will be revived in a new works in Birmingham which will produce custom-built guns costing between £1,800 and £2,300.

Former British pistol team captain, Pat Whitley, Scott's managing director, is looking for world sales of 200 in the first year out of a market of 5,000.

His sights are firmly set on America, where he reckons the guns will be appreciated as much as investments as sporting firearms.

● If the British Steel Corporation does manage to hook an American to take over from Sir Charles Villiers, it will be setting something of a precedent, it seems.

I spoke to the CBI, the American Chamber of Commerce (United Kingdom) and the American Embassy yesterday in an attempt to glean the names of people who had crossed the Atlantic to rejuvenate industry in the old country.

"Does Vauxhall count?" was the best offer I had. And as it is part of General Motors it certainly does not. I fear BSC may not have an easy task.



"I have doctorates in psychology, business studies and English and I want to compose classical, uplifting commercials for the coming fourth TV channel."

● Ross Belch, the chief executive of Scott Lithgow, admitted to "a little personal sadness" when he officiated at his last launch from Scott's Carsburn yard on the Clyde yesterday.

Later this year, Belch will retire from Scott's, which is the oldest shipbuilding company in the world, dating back to 1711.

Yesterday saw the launch of the Myrmidon, the last of three multipurpose cargo liners being built by the company for the Ocean Transport and Trading Company of Liverpool.

● The best investment ever made by the City of London is starting to feel the pinch of inflation. Known quite simply as the City's Cash, it is a fund that helps to pay for a number of the corporation of London's favourite amenities, from the City of London School to Billingsgate Fish Market and the upkeep of Epping Forest.

It originated in the 18th century when the corporation decided it would be a good idea to drain for building a section of land not far from Westminster.

Today the area is known as Mayfair and the City gleefully collects ground rent from part of Bond Street and Conduit Street, which, with income from property it owns in the City, last year added up to £54m for the fund.

That may sound a tidy sum, but last year the upkeep of Epping Forest alone cost £340,000, all of it coming from the fund, not the City rates.

The cash problem has so worried the Epping Forest Council that it is organizing an evening to raise some of its own money for the upkeep of the forest.

Lord Miles, better known as Bernard Miles, founder of the Mermaid Theatre, will star in a dramatization of the handing over of the forest to the corporation's keeping in 1878.

The City has rallied round to support the £35-a-head evening at the Whitbread Brewery on March 3. Trafalgar House has donated a cruise as a prize and the Chase Manhattan Bank is sponsoring a competition to find the most suitable new music for a poem about Essex written by the Poet Laureate.

Among the trust patrons who are expected to attend are Sir Terence Beckett, chairman of Ford of Britain, Sir David Seligman, chairman of BP, and Lord Chelmer, chairman of the Provident Financial Group.

London Transport has given a single decker bus to be presented to the London school which produces the best poster about the forest.

Terence Mallinson, the trust chairman, told me: "We have raised £56,000 in the last 18 months to make a local gesture of help because we realize that inflation is biting into the fund."

The secretarial revolt against boring and repetitious work is increasing. I was heartened to hear of the following exchange the other day. Would-be boss to potential employee: "So, you've got 10 years' experience working as a secretary?" Disgruntled reply: "No, I've got one year's experience 10 times over."

David Hewson

THE BRUNNER INVESTMENT TRUST LIMITED

Managers: KLEINWORT, BENSON LIMITED

Extracts from the Statement by the Chairman, Mr. T. B. H. Brunner, and summary of the results for the year ended 30th November, 1979.

Earnings and Dividend: Net income rose by 23.6 per cent to £815,192. Your Board recommends payment of a final dividend of 2.75p per share resulting in a total distribution of 4.90p per share (4.00p in 1978). The value of invested funds after deduction of prior charges at par and net current liabilities increased by 3.7 per cent to £21,882,348. Since the year and we have added to our investments in Japan and the Far East.

	1974	1975	1976
EARNINGS per Ordinary Stock Unit (Net)	2.61p	4.13p	5.10p
DIVIDEND per Ordinary Stock Unit (Net)	2.43p	4.00p	4.00p
NET ASSET VALUE per Ordinary Stock Unit	47.8p	131.9p	136.8p

The Annual General Meeting will be held at 20 Fenchurch Street, London EC3P 3DB on Friday 14th March 1980 at 12.45 p.m.



Pat Whitley.

TELEVISION



● My first encounter with digital recording on BBC radio was last Christmas Eve, in the transmission of the Festival of Nine Lessons and Carols from King's College, Cambridge. I did not really understand the technique then, and I'm not sure I do now. All I know is that there was a clarity of sound from King's that I don't remember having heard on radio before. If you want to discover for yourself what the digital converter can do for recorded music, listen to tonight's violin and piano recital by Gidon and Eleana Kemer on Radio 3 at 10.55.

WHAT THE SYMBOLS MEAN : †STEREO ; *BLACK AND WHITE ;
(-) REPEAT

Radio 2
5.00 am News, weather. 5.04 Steve Jones' 7.32 Ray Martin. 7.10.4 David Hamilton. 2.03 Ed Stewart. 4.03 Much More Music. 5.00 Alan 5.05 Waggoner's Walk. 5.20 Much More Music. 6.03 John Dunn. 7.02 Listen to the Band. 8.45 Alan Hudd. 9.15 The Magic of the Music. 10.00 The Big Desk. 10.03 News. 10.04. 10.05. 10.06. 10.07. 10.08. 10.09. 10.10. 10.11. 10.12. 10.13. 10.14. 10.15. 10.16. 10.17. 10.18. 10.19. 10.20. 10.21. 10.22. 10.23. 10.24. 10.25. 10.26. 10.27. 10.28. 10.29. 10.30. 10.31. 10.32. 10.33. 10.34. 10.35. 10.36. 10.37. 10.38. 10.39. 10.40. 10.41. 10.42. 10.43. 10.44. 10.45. 10.46. 10.47. 10.48. 10.49. 10.50. 10.51. 10.52. 10.53. 10.54. 10.55. 10.56. 10.57. 10.58. 10.59. 11.00. 11.01. 11.02. 11.03. 11.04. 11.05. 11.06. 11.07. 11.08. 11.09. 11.10. 11.11. 11.12. 11.13. 11.14. 11.15. 11.16. 11.17. 11.18. 11.19. 11.20. 11.21. 11.22. 11.23. 11.24. 11.25. 11.26. 11.27. 11.28. 11.29. 11.30. 11.31. 11.32. 11.33. 11.34. 11.35. 11.36. 11.37. 11.38. 11.39. 11.40. 11.41. 11.42. 11.43. 11.44. 11.45. 11.46. 11.47. 11.48. 11.49. 11.50. 11.51. 11.52. 11.53. 11.54. 11.55. 11.56. 11.57. 11.58. 11.59. 12.00. 12.01. 12.02. 12.03. 12.04. 12.05. 12.06. 12.07. 12.08. 12.09. 12.10. 12.11. 12.12. 12.13. 12.14. 12.15. 12.16. 12.17. 12.18. 12.19. 12.20. 12.21. 12.22. 12.23. 12.24. 12.25. 12.26. 12.27. 12.28. 12.29. 12.30. 12.31. 12.32. 12.33. 12.34. 12.35. 12.36. 12.37. 12.38. 12.39. 12.40. 12.41. 12.42. 12.43. 12.44. 12.45. 12.46. 12.47. 12.48. 12.49. 12.50. 12.51. 12.52. 12.53. 12.54. 12.55. 12.56. 12.57. 12.58. 12.59. 13.00. 13.01. 13.02. 13.03. 13.04. 13.05. 13.06. 13.07. 13.08. 13.09. 13.10. 13.11. 13.12. 13.13. 13.14. 13.15. 13.16. 13.17. 13.18. 13.19. 13.20. 13.21. 13.22. 13.23. 13.24. 13.25. 13.26. 13.27. 13.28. 13.29. 13.30. 13.31. 13.32. 13.33. 13.34. 13.35. 13.36. 13.37. 13.38. 13.39. 13.40. 13.41. 13.42. 13.43. 13.44. 13.45. 13.46. 13.47. 13.48. 13.49. 13.50. 13.51. 13.52. 13.53. 13.54. 13.55. 13.56. 13.57. 13.58. 13.59. 14.00. 14.01. 14.02. 14.03. 14.04. 14.05. 14.06. 14.07. 14.08. 14.09. 14.10. 14.11. 14.12. 14.13. 14.14. 14.15. 14.16. 14.17. 14.18. 14.19. 14.20. 14.21. 14.22. 14.23. 14.24. 14.25. 14.26. 14.27. 14.28. 14.29. 14.30. 14.31. 14.32. 14.33. 14.34. 14.35. 14.36. 14.37. 14.38. 14.39. 14.40. 14.41. 14.42. 14.43. 14.44. 14.45. 14.46. 14.47. 14.48. 14.49. 14.50. 14.51. 14.52. 14.53. 14.54. 14.55. 14.56. 14.57. 14.58. 14.59. 15.00. 15.01. 15.02. 15.03. 15.04. 15.05. 15.06. 15.07. 15.08. 15.09. 15.10. 15.11. 15.12. 15.13. 15.14. 15.15. 15.16. 15.17. 15.18. 15.19. 15.20. 15.21. 15.22. 15.23. 15.24. 15.25. 15.26. 15.27. 15.28. 15.29. 15.30. 15.31. 15.32. 15.33. 15.34. 15.35. 15.36. 15.37. 15.38. 15.39. 15.40. 15.41. 15.42. 15.43. 15.44. 15.45. 15.46. 15.47. 15.48. 15.49. 15.50. 15.51. 15.52. 15.53. 15.54. 15.55. 15.56. 15.57. 15.58. 15.59. 16.00. 16.01. 16.02. 16.03. 16.04. 16.05. 16.06. 16.07. 16.08. 16.09. 16.10. 16.11. 16.12. 16.13. 16.14. 16.15. 16.16. 16.17. 16.18. 16.19. 16.20. 16.21. 16.22. 16.23. 16.24. 16.25. 16.26. 16.27. 16.28. 16.29. 16.30. 16.31. 16.32. 16.33. 16.34. 16.35. 16.36. 16.37. 16.38. 16.39. 16.40. 16.41. 16.42. 16.43. 16.44. 16.45. 16.46. 16.47. 16.48. 16.49. 16.50. 16.51. 16.52. 16.53. 16.54. 16.55. 16.56. 16.57. 16.58. 16.59. 17.00. 17.01. 17.02. 17.03. 17.04. 17.05. 17.06. 17.07. 17.08. 17.09. 17.10. 17.11. 17.12. 17.13. 17.14. 17.15. 17.16. 17.17. 17.18. 17.19. 17.20. 17.21. 17.22. 17.23. 17.24. 17.25. 17.26. 17.27. 17.28. 17.29. 17.30. 17.31. 17.32. 17.33. 17.34. 17.35. 17.36. 17.37. 17.38. 17.39. 17.40. 17.41. 17.42. 17.43. 17.44. 17.45. 17.46. 17.47. 17.48. 17.49. 17.50. 17.51. 17.52. 17.53. 17.54. 17.55. 17.56. 17.57. 17.58. 17.59. 18.00. 18.01. 18.02. 18.03. 18.04. 18.05. 18.06. 18.07. 18.08. 18.09. 18.10. 18.11. 18.12. 18.13. 18.14. 18.15. 18.16. 18.17. 18.18. 18.19. 18.20. 18.21. 18.22. 18.23. 18.24. 18.25. 18.26. 18.27. 18.28. 18.29. 18.30. 18.31. 18.32. 18.33. 18.34. 18.35. 18.36. 18.37. 18.38. 18.39. 18.40. 18.41. 18.42. 18.43. 18.44. 18.45. 18.46. 18.47. 18.48. 18.49. 18.50. 18.51. 18.52. 18.53. 18.54. 18.55. 18.56. 18.57. 18.58. 18.59. 19.00. 19.01. 19.02. 19.03. 19.04. 19.05. 19.06. 19.07. 19.08. 19.09. 19.10. 19.11. 19.12. 19.13. 19.14. 19.15. 19.16. 19.17. 19.18. 19.19. 19.20. 19.21. 19.22. 19.23. 19.24. 19.25. 19.26. 19.27. 1

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Radio 2 med wave 330m/909kHz
90-92.5 VHF. Radio 4 long wave
1500kHz/417m, LBC 261m, 97.3 VHF.
Radio London 206m, 94.9 VHF.

Anglia

in London except: 2.45 pm Money-Game
11.15 Money-Game-Round 4.45 White
11.15 Barney Muller 5.00 About
Lamla 11.15 Celebrity Contest 12.10
in Big Question.

Southern

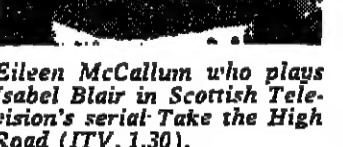
in London except: 2.45 pm Money-Game
11.15 Money-Game-Round 4.45 White
11.15 Barney Muller 5.00 About
Lamla 11.15 Money-Game-Round 4.45
11.50 Day by Day 11.15 News 11.30
Family 2.15 am Weather, Island on
12.15 March.

Ulster

in London except: 2.50 pm Money-Game
11.15 Money-Game-Round 4.45 White
11.15 Barney Muller 5.00 Crossroads 11.15
11.15 Cartoon 5.20 Crossroads 11.15
11.15 Bedtime.

TVATV

in London except: 12.30 pm Electric
Theatre Show 2.45 Lyle Radio 4.45
11.15 Barney Muller 5.00 Your Lingo
11.15 AT Today 11.20 Day Radio 11.50



1.30 **Barnaby Jones:** Detective thriller, about the murder of a sailor.

That February 14th was St. Valentine's Day is unlikely to have escaped your notice. But perhaps only the most passionate know that this year, hot upon Cupid's heels, follows a day of even rarer romantic potential.

For February 29th is Leap Year Day and, as the ardent will be aware, rôles are traditionally reversed.

So that the fairer sex are at liberty to loudly declare their love.

Happy to publicize such proposals, The Times is planning a special Leap Year Lovers feature.

A golden opportunity to promote your passion (discreetly, of course) or indeed to respond to the cryptic communication you loved one will have undoubtedly placed in our St. Valentine's Day feature. Or not—which in itself demands a response!

Riposte, rebuttal, reassurance or promise of reward, all are welcome within, of course, the bounds of propriety.

So preserve your traditional right of reply and complete the coupon below.

Minimum size for your message is two lines (allow 28 characters including word spaces per line), cost £2.75 per line.

Send the coupon with cheque or postal order made out to Times Newspapers Ltd. (to reach us not later than February 27th) to:

The ASA Department, 4th Floor,
The Times, New Printing House Square,
Gray's Inn Road, London WC1X 8EZ.

THE TIMES

Place your message here (BLOCK CAPITALS PLEASE)

Name of sender: _____ Address: _____ Telephone: _____

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